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West Europe Report



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1 March 1984

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MEDINA ON SYSTEM'S INABILITY TO END TERRORISM

Madrid EL ALCAZAR in Spanish 2 Feb 84 p 5

[Editorial by Ismael Medina: "A Finished System Cannot Put an End to Terrorism"]

[Excerpts] I draw an initial bitter conclusion from Felipe Gonzalez' publicity trip to the Strasbourg Masonic Senate, from his speech and from his subsequent statements: The blood of Lt Gen Quintana Lacaci will also not serve to bring about the necessary change in the course of the confused democratic ship.

Any politician with a minimum dose of sensitivity and instinct would have changed the content and tone of his speech, given just a few hours after burying a general of the highest rank, assassinated by red-secessionist terrorism, and after having listened to the people's thunderous rejection of his actions, his person and the system. Once again, however, the president of the government showed that he lacks agility, imagination and a sense of state.

The ETA had just provided Felipe Gonzalez with a tremendous basis for argument on which to construct a penetrating accusation, and, as if that were not enough, it was already understood that the preferred subject of his announced speech was terrorism. He did not do it and lost a golden opportunity to point out to many of those seated in the semicircle their own responsibilities. Many had expected a philippic. This was told to me on Sunday in Rome by an Italian politician who considers Felipe Gonzalez "a very seductive socialist." I suppose that he must have been very disappointed and he will now think that I was right when I remarked to him that after listening to a harangue on generalities and as without substance as a broth of fossilized bones, one should, in regard to Spanish democracy, ask a question similar to that set forth by the weekly EUROPEO on its title page with respect to Italian democracy: "Have we become a ridiculous republic?"

What was said by the president of the government contrasts rudely with some plain words by Lt Gen Saez de Larumbe: "It is necessary to put an end to the scourge of terrorism, and not just those who pull the trigger but also those who support them." All of those who, integrated into parties, organizations, associations or legalized groups, in some manner take part in the crimes or make possible the existence and the activity of the terrorist gangs are terrorists and assassins of those carrying out the indispensable repression.

The responsibility for the shed blood stains not only the hands of those who pull the trigger. It also bespatters many other hands, including the cuffs of spotless shirts, supposedly democratic, which serve as a collar for flaccid condemnatory or mournful gestures. Can it honestly be maintained that there is no guilt on the part of the terrorists benefited by the sleights among Bandres and Roson, which the PSOE [Spanish Socialist Workers' Party] makes its own? Can validity be granted to the indecisive expedient of the so-called "social reinsertion" of the terrorists, when they glory in their previous convictions and justify their agreement with the government's offer as a mere tactical necessity that makes it advisable for them to exchange armed struggle for political struggle? Does not the "social reinsertion" of the terrorists cover the legalization of the logistic structure of the ETA? And if, as has happened on occasion, the "reinserted" person is later involved in violent actions, will not those who extended letters of marque be just as guilty, if not more so?

It does not seem to me that there is room for equivocation with respect to the proposals of any person endowed with a certain precision of language, and even more so if it involves a military person, when he says that "it is necessary to put an end to the scourge of terrorism." And there can be even less equivocation when, in addition, he affirms that this should be done "not only with those who pull the trigger but also with those who support them." Close to 1,000 deaths testify that the amnesties, the pardons, the pacts, the freeing of prisoners, the "reinsertions," the political measures and the other pharisaic expedients have not served to put an end to terrorism but to make it even more ominous and to increase its domination in large sectors of the population, in accordance with the prescience of the revolutionary war. The assassination of Lt Gen Quintana Lacaci has again demonstrated the bloody invalidity of the antiterrorist struggle reiterated by successive liberal-socialist governments, a mere rhetorical wrapping of a mortal political impotence and of an inexcusable ideological propinquity.

Seven years ago, in one of his delirious "instructions," Gutierrez wrote that terrorism had its back to the wall. Then, after each crime, it was repeatedly said that it was the parting shot of the ETA. There have been hundreds of assassinations since this macabre excuse first appeared. Now, over the blood of Lt Gen Quintana Lacaci, ABC has reiterated the gloomy alibi, while Felipe Gonzalez, caught up in his own dialectical trap, importunately repeats the same hirsute refrains of Suarez. How many more deaths will be necessary to certify that all of that blood unmasks the cadaverous nature of this pretended democracy? To put an end to red-secessionist terrorism, it is first necessary to admit that other pathetic reality that the system was ruined at birth and is just surviving through tricks.

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RITT BJERREGAARD ON ELECTION RESULTS, SDP OPPOSITION ROLE

Copenhagen BERLINGSKE TIDENDE in Danish 29 Jan 84 p 8

[Article by Solveig Rodsgaard]

[Text] Ritt Bjerregaard admits it has been difficult to become accustomed to an opposition role. In the long run, however, the Social Democrats could gain from their terms in the opposition by conducting internal discussions on the course of Danish society and Ritt Bjerregaard is concerned about polarization among the people.

The Social Democrats have had a difficult time getting used to being in the opposition. Ritt Bjerregaard, vice-chair of the Social Democratic parliamentary group, admitted this at the end of her party's new term in the opposition.

On the other hand, she said that the Social Democrats would now be better able to conduct internal discussions on the future direction of Danish society. Ritt Bjerregaard is concerned about the increasing polarization of our society. In her opinion, this problem has not yet been clearly perceived, as demonstrated by the Conservative victory in the elections.

On the shift from government to opposition in 1982, Ritt Bjerregaard said it obviously was difficult for her party to be put in that role so suddenly.

"After all, we were in the government throughout most of the seventies and you might say we were accustomed to receiving much media attention. That is all part of being a cabinet minister. It is the ministers who announce government plans and these announcements receive considerable media coverage. It soon became apparent after we joined the opposition that we no longer had as many opportunities to state our views. I believe that at first many of us felt somewhat neglected. I also believe this feeling was noticeable among many of our most active people. When our party's executive council met with them they would ask us why we had not come out with any proposals. We then had to answer that we had indeed made proposals, but that little had been written about them in the papers. If you are part of the government, then it is easy to appear on the radio and TV news and in practically all the newspapers. This is not true of the opposition."

"There also is the temptation to interfere with you successor's administrative tasks. When you are part of the government, you have certain political possibilities, but if a ministry is to function smoothly, then much administrative work also must be done. It is easy for a cabinet minister to fall into the trap of becoming too interested in administrative tasks and thinking too little about political matters, which I believe can lead to change. For some time after leaving the government, there was a certain temptation to interfere in the administrative matters of the new government."

"But I believe it is possible to learn a lot by moving from the government into the opposition and it is healthy in some respects for people in power to make this change. I also believe that some day the ministers in the present government will form a different form of opposition than they did before."

Soul-Searching

Is there a need for soul-searching within the party, now that it has lost seats in the last two elections?

"It is obvious that we have been unsuccessful in getting our views across to the voters, but we have taken consolation from the fact that the seats we lost were far fewer than the preelection polls had indicated. There also are clear indications that being in power during the seventies with the economic slump that characterized practically all of the industrialized Western countries and the difficult political decisions concerning budget cuts, income policy, and other issues, took their toll on the party. There has been a tendency--and this can be seen in many countries--to change governments. The people want to try something different. In Sweden a Social Democratic government was chosen. In Denmark the people wanted to try a nonsocialist government."

But nevertheless, this is the first time since World War II that a nonsocialist government was reelected. Does this make you stop and think?

"Yes, but this is also the first time a Social Democratic government has resigned without calling for new elections. You might think that is a trite answer, but I believe there is some truth to it. The most recent elections were the first elections held by the government. It came to power without an election the first time. We will see after the next elections whether or not the government will stay in power."

Welfare State

Would it be healthy for the Social Democrats to spend another term in opposition?

"Yes, although I believe that a party as large as the Social Democratic Party should always do everything it can to assume power, since this gives it more influence on the policies that are carried out than it has in the opposition. Thus, it definitely is our goal to take power."

"If we look objectively at what the party can do in the long run, however, I believe it is good for us not to be in power now. We have some time to develop our program thoroughly and discuss how to deal with a welfare state

such as ours. In any case, I have had more time to participate in internal party discussions about some of these things and I have more time for other appointments. Recently, for example, I had a 3-hour meeting with 20 long-term unemployed women. You need a lot of time to get a real understanding of what it is like to be unemployed. These women felt strongly that 'it was no use, things would not improve for them,' and so on."

"I perceive an increasing feeling of confrontation in our society. I am concerned about the future of our society and of the Social Democratic Party if we accept that a large portion of the Danish people have no jobs and are on some form of welfare. This will lead to certain differences in our society that we did not have before. I have written before about first and second class citizens. The first class citizens have plenty to do, make good money, and can utilize all the resources of our society. The second class citizens are unwanted, have no jobs, and exist on subsidies. I believe this is a dangerous trend because it creates antagonisms that I do not believe the Danish people want. I believe there will be a strong reaction from the second class citizens."

The Way Of Solidarity

Why do the election results not reflect these ideas?

"I do not believe the problem has been consciously perceived. I believe there is a feeling that things are going better, that Schluter is a nice guy, that he has done much good, that he deserves another term, and that we should wait and see what happens. People with low incomes also understand to a certain extent that they must do what they can to help. This is a good attitude, but it must not be abused."

Do you believe that the government has abused it?

"I believe there has been a tendency to abuse it. I believe there is a tendency to abuse it when benefit payments are not regulated. I believe this is wrong from a political standpoint. I believe it is a political duty to protect groups that do not protest. This is a fundamental difference between the Social Democrats and the government. It is wrong to accept that so many people are living on welfare."

"When you are in the opposition, you cannot make major changes. But we can decide what can be done. We have begun to do this with our program entitled the Way of Solidarity. We see that no matter what we do there are not enough jobs to go around, so there must be a redistribution of work. People must work fewer hours. We can put together a program with the labor movement and if we think this is a matter for contract negotiations then the unions can present the plan during the next negotiating session. We would then enter the debate and support the proposal. In this way, we can exercise some influence, but we cannot make the same type of proposals we could if we were in power."

Cooperation

How interested are you in cooperating with the government?

"I believe we have expressed clearly that we are interested in achieving certain results. If we take the concrete example of unemployment among young people, it is perfectly clear that we are the ones who are pushing to get something done. On the budget question, our position has been and still is that the government must achieve a base in parliament. I do not know whether or not the government wants us to be part of a parliamentary majority. We have made our demands, but they are not ultimata for otherwise there would be no room for negotiations. It is also possible that the government wants to work with the Progressive Party in parliament. On the other hand, the government may be satisfied simply by assuring itself that Otto Steenholdt will vote with it."

"The government must realize that it must obtain a majority. We know this from events that occurred during the seventies. You must sit down and negotiate. A majority does not simply appear on its own. It takes hard work to achieve anything, but since the Rio Bravo compromise the government has not been especially willing to negotiate."

How long will you remain in opposition this time?

"Certainly not throughout an entire term. I do not believe that will happen. If the government's parliamentary base is dependent on a single vote, then it is extremely frail. If the government does not try to obtain a more stable majority on important issues, then it will have problems."

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COMMUNIST PARTY OFFICIAL ON ELECTION DEFEAT, TREHOLT AFFAIR

Copenhagen BERLINGSKE TIDENDE in Danish 3 Feb 84 p 9

[Article by Solveig Rodsgaard]

[Text] Fear of the DKP (Danish Communist Party) and of the Soviet Union destroyed DKP's chances in the elections, according to the chairman of the party's peace committee, Anker Schjerning. He also sharply criticized the press for its handling of the Treholt affair and said that the cold war had returned along with President Reagan.

Anticommunist hysteria was one of the main reasons why the Danish Communist Party lost 11,000 voters in the parliamentary elections. This was stated by one of the top DKP leaders, Anker Schjerning, who is chairman of the party's peace committee.

The major election defeat--from 34,625 votes in 1981 to about 23,000 votes on 10 January--was the main theme of the recent DKP central committee meeting. The result will be a serious round of soul-searching within the party.

The central committee discussed the most important points of DKP's future work: 1) peace activism, 2) opposition to the EC and the upcoming EC elections, and 3) labor union work.

Anker Schjerning told BERLINGSKE TIDENDE that the Communists' election defeat probably resulted from people's fear that the Schluter government would make great advances. Many in the labor movement and others feared that the government would achieve a majority, together with the Progressive Party.

"As a result, people voted for the Social Democrats, SF (Socialist People's Party), and VS (Left-Socialist Party): the parties that are represented in parliament."

"But obviously, fear of communists and of the Soviet Union also plays a major role. We are seeing this now in Norway, in connection with the Treholt affair. An extremely primitive way of thinking is being presented by Norwegian and Danish newspapers, namely that the political process in Norway and within the Labor Party can be changed by a single person who is receiving his instructions from the Russians. But this has an impact on us."

"I like to compare this to the witch hunts of the middle ages, in which witches were blamed for all evil. Now the KGB has become a political witch. This is a big step backward in the way the press handles these matters. The cold war has returned."

"When I started working for peace 10 years ago, people had a relaxed attitude toward East-West relations. Since President Reagan entered the scene, however, the situation has changed. This can be seen both here and abroad. It has permeated the political scene and affected our work."

Anker Schjerning added that when the press writes, for example, that the Russians, through Arne Treholt, wrote Jens Evensen's speech on a nuclear-free Nordic zone, people become even more cautious toward the communists.

In order to end the stagnation DKP now is experiencing, Anker Schjerning believes the party must go out and meet the common people to "tell them who we are, tell them that we are good Danes just like everyone else, and continue our work across political lines."

Schjerning was asked if the party had not created some of its own problems by conducting its internal criticism behind closed doors.

"Many people believe this, but just look at the period leading up to every party congress we have held. There always is a lively debate in LAND OG FOLK. But now that we are out of parliament and out of practical parliamentary politics, now that our people do not appear very often in the mass media, certain myths arise about us. But we will try to change this and dispel these myths."

Anker Schjerning said that peace activism would continue to receive a high priority. He is a member of the Stop the Nuclear Missiles Committee and he believes it is important for DKP to participate in its work, including the Easter march that will take place on 15 April.

"It is the DKP that has placed the peace movement at the center of attention among our people. I also believe that the Center Democrats suffered major losses in the elections because they were the only nonsocialist party that opposed peace activism and brought up the case of the minister from Lundehus. One positive aspect of the election results, from our point of view, is that missile opponents maintained their majority in parliament. For this reason, the peace movement will have a good opportunity to bring about new initiatives in parliament to stop the arms race in the East and in the West."

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CSO: 3613/88

DAHRENDORF ON POLITICAL ROLE OF LIBERALISM

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 25 Nov 83 p 27

[Abridged version of lecture delivered by Professor Dahrendorf on the occasion of the 25th anniversary of the Friedrich Naumann Foundation]

[Text] In a mass democracy, it is difficult to develop intellectual initiatives. The structures in the FRG have become rigid. Only a party of inquiry, candor, imagination and "pure liberalism" can raze the barriers and ramparts of government reality.

Democracy is usually spoken of rather inaccurately as though it were more or less the same thing as the "revolt of the masses," the way for many to get into the limelight of social and political participation. This is certainly a useful concept; how useful it can be has already been demonstrated by Tocqueville. It is, however, not a very political concept. Incidentally, to speak of the rule of the people is also just as politically limited. The rule of the people is almost as misleading as the basis of democracy: the people do not rule and cannot be considered rulers in any reasonable sense.

As in the case of the basis of democracy, the fiction of the rule of the people is an invitation to activists, who differ only in whether they are really a part of the people or are long-winded debaters and armchair tacticians, people who have time and who also enjoy achieving modest successes.

There is a concept of democracy which forms the basis of a different, clearer idea of legitimacy, of freedom, of the position of mankind in the world. If we wish to associate it with great names, then we must think of Karl Popper in particular, but besides Popper, also of a long intellectual tradition leading back to Kant (not to Hegel) and to Locke (not to Rousseau), perhaps even to Hobbes. We live in a world of uncertainty. What we do is indeed only a blueprint, an attempt; it may therefore be a mistake. Anyone desiring freedom will have to first make sure that the mistake does not become firmly established, that it does not become dogma.

The state of freedom makes it possible to correct mistakes. At the same time, it is also a state which encourages new attempts. This is not desirable for the sake of novelty, but because people's interests and aspirations change. New living conditions open up new horizons. If we were to describe a state of freedom as democracy, this implies two different things in particular: the encouragement of initiatives and the guarantee of control. Initiatives--the exercise of power--are legitimate when there is no effective resistance to them.

Democracy attempts to guarantee legitimacy by creating institutions for initiatives, but at the same time also creating institutions for control, for opposition. How the two functions are distributed in detail in the executive, legislative and judicial branches of government varies considerably in different countries; but they must both be present and framed in institutions.

Content of Political Phrases Exhausted

Against this background, the problem of mass democracy takes on a different and, at the same time, a political and serious character. It must also be said that "the masses" are thoroughly unsuited for taking initiatives. However, they are very well suited for control. Perhaps "control without initiatives" is even a kind of definition of mass democracy.

What is called control in this instance assumes many forms. Mass demonstrations are topical; they are actually a way of telling the so-called protagonists what they should not do. On the other hand, anyone demanding that the masses should also demonstrate in favor of something misunderstands the function of the masses in the legitimate interplay of free communities. Only in totalitarian states do people demonstrate in favor of something; there, the lack of demonstration is really a sign of aversion, if not of opposition. In democratic states, the expression of the will of the masses is essentially negative. This is also true with regard to elections, which have become negative expressions of will in all developed countries.

It is not that initiative is necessary to demonstrate leadership ability, indeed it is not necessary at all to show a more or less impressive image, but without it the ground would slide out from under the feet of those in political control. The language of politicians and the long exhausted content of constantly repeated phrases are increasingly becoming far removed from what many people consider right, possible and plausible.

The people do not believe in a repetition of the economic miracle, nor even in the elimination of unemployment. They also certainly do not know how, but they feel that in economic affairs a period and its vocabulary are passe. They have more doubts about American missiles than about GDR visits by German politicians. A stirring secularized Sermon on the Mount seduces hundreds of thousands.

But this is still by no means a description of initiative, but of the fact that predominant aspirations have changed, without this having found anything

more than a chaotic expression in visible politics. But this means nothing other than many people reject anything that is offered to them. Parties must, so to speak, hope to get over hurdles by means of double rejection: people are against them, but people are against their opponents even more. Under such conditions, it is not at all unreasonable to speak of signs of a legitimacy crisis. Where will liberating initiatives come from?

The danger of seductive pseudo-solutions is great. We will still experience many of them on the left, on the right, and in the stormy center. For the critical observation is that mass democracy stifles initiatives. It blocks off the sources of initiative. This must also be said of its danger of destroying beloved illusions.

They include two beautiful flowering liberal dreams. One dream is political participation: all good comes from below, through recognition of those at the grass-roots level. In a certain way, this is correct, but not in the way it is usually intended. Participation in elections is certainly an index of legitimacy; but this is true in exactly the opposite sense that most people assume: the greater the participation in elections, the more acute the crisis. The normal-low election participation in Anglo-Saxon countries need not cause anyone to worry (insofar as it is not due to effective restriction of the voting rights of entire groups).

People become party activists, or activists in general, for all sorts of reasons; in no party do activists represent the likes or even the dislikes of the grass roots. This is not an argument against political participation. It is intended only as a warning against misinterpreting such participation. Participation is neither initiative nor a substitute for initiative in the sense intended here, thus a guide to new horizons which contain and promote the aspirations of many people.

A second liberal illusion is very closely related to the first--that the world can be healed through education. Liberalism, as Giovanni Malagodi said, means human rights plus culture. This is no doubt not a definition; but it should not be forgotten that liberals have defended both in the past. The party of human rights, not of opportunism; the party of the mind, not of materialism--this does not sound so bad.

Educational reform combined the liberal predilections for human rights and culture ("education is civil rights"), but then quickly led to a lack of differentiation and to great uncertainty concerning educational goals. Even the attempt to impose guidelines revealed this uncertainty (in the Hessian case, we must say: fortunately) rather than eliminating it. And thus a great period of helplessness began, which included not only educational policy but also parents and students, as well as teachers, insofar as they did not become spokesmen for that new educational class which believes that it can make the school the hub of the social revolution --today in Germany, this is called overcoming the system.

They are all mistaken, for in the end the educational system is never much more than a reflection of the central institutions of economics, government

and society. If the spirit of the times is geared toward quality and otherwise wavers indecisively on all important issues, then a lack of differentiation and uncertainty concerning educational goals will simply occur. If, at the same time, the anxiety of getting ahead, on one hand, and the development of a new lumpen proletariat, on the other, determine social structures, then 40 percent will simply go into tertiary education, with the impoverished junior high school at the other end.

For liberals, a differentiated educational system is still desirable. The liberal approves of both public and private places of education and research for the best. Actually, liberal education policy will always promote special inducements for private schools and universities. Liberals also support a vocationally oriented education without inappropriate narrowness, which thus includes the ability to change and to learn something. But none of these requirements changes society through education; on the contrary, their achievement presupposes an already changed, more liberal society.

Education is civil rights. Educational institutions are too narrowly described as a reflection of society; they can precede, lag behind or be isolated by social developments. However, all of this in no way changes the fact that neither is education the lever of social change nor does educational reform in the liberal sense guarantee that informed initiative is an illustration of mass democracy.

Shadow of Courts Behind Everything

From "patient drilling of thick floors" to the "immovability of an oil tanker," there are a number of catchy metaphors for the same phenomenon: the difficulty of translating changed interests and aspirations into political initiatives. It appears exactly as though mass democracy's institutions are unable to produce such initiatives from within themselves. Even in places where they are not as rigidified as in the FRG, they remain inarticulate when it comes to expressing changed basic trends, or even guiding these trends in certain directions with thought and according to principles.

The rigidification of German institutions, however, is particularly bad. Parliament has largely turned over its right to make initiatives to the administration, which in turn has chained itself not only to the bureaucracy but also, through the bureaucracy, to the organized (and often mutually neutralizing) interests of mass society. As though this were not already paralyzingly enough, the process contains so many stumbling blocks to the preparation of decisions--advisory councils, committees, ad hoc groups, etc.--that anyone wanting to make initiatives must act with extreme caution. And behind everything stands the powerful shadow of a judicial system which actually, although not intentionally, has become an impediment. Many things are no longer even being attempted at all because of a negative attitude toward the courts.

Then who is to take the initiative in a mass democracy? Political parties originated as institutions for initiative, of course, but in a mass democracy

they have also been largely incorporated into the described rigidification of the decision-making process. At every stage of the political process, their interest is simply not that of innovation and initiative. Their two faces, the one turned toward members and voters on one hand and the other involved in the process of selecting judges, appointing political officials and participating in advisory committees and other groups, change like a picture puzzle. Even their platform statements go through many phases of leveling and loss of clear definition. The parties are at best instruments, but not sources, of initiative.

If this is still tolerable in any case, the fact that in Germany much of the media has become a non-negligible part of rigidified political interests must be considered absolutely intolerable. This is particularly true of the public-legal media. The confusion of independence and proportional party representation makes them unsuitable for innovation and initiative--ugh, what big words: it simply makes them tedious. Incidentally, this is also true in a different way of the many regional monopoly newspapers whose role and the way they see themselves make them "general gazettes" which are too complacently loyal to the government. There are still a few independent daily and weekly newspapers. As a result, their job has indeed become quite important, because they can achieve what no other publication can do: take a stand which is at odds with political parties, to say what is officially unspeakable.

Even political foundations are dangerously close to mass democracy's rigidified political process. This is true even if (which I hope is the case) the accusations concerning the corruption of political foundations and parties should prove to be unfounded. Of course, political foundations can be useful for the community and for the success of certain political ideas insofar as they are independent of mass democracy's forms of organization.

Sometimes when I think about the rigidification of political conditions and possible sources of making them loose and fluid, Ernst Juenger's concept of "anarchs" comes to mind. "The anarch takes a stand beyond issues. He has an absolute attitude toward freedom. For him, any change by government and society is a new kind of straitjacket. He definitely does not like to hear about 'schools' [of thought]." The anarch is, of course, not an anarchist. He does not want to teach others, not even with guns and bombs. He is rather an utter independent who, as a result, has an inner relationship with the passing of time rather than with everything else, which has become rigidified in sedentary structures.

There are more relevant kinds of independence than that of anarchists, however. There are those which transcend the boundaries between politics and science, theory and practice. Even institutions are occasionally dedicated to crossing boundaries. They can be found more easily elsewhere than in Germany--institutions in which the protagonists end up thinking and thinkers adapt their observations to the topics and schedules of the protagonists. They are institutions of initiative.

Initiative needs intellectual freedom. The concept is much more pertinent in a mass democracy than in circumstances in which people are permitted to think in general and publish their thoughts. Totalitarianism's stand on thinking is definitely worse, but mass democracy's is more subtle. In a totalitarian state, intellectual freedom means protest, resistance and rejection of dogma, even at a high price; but here in a mass democracy, intellectual freedom requires the removal of political structures, which promise so much and yet do not deliver what is crucial--the future.

If intellectual freedom requires a solitary position in a mass democracy--then what is the situation of political freedom? In the history of German liberalism, the embrace of the government has played a special role. At least for the liberal-minded, it was almost something like the process which the German social democrats went through between the Godesberg Program of 1959 and the Wehner Speech professing Adenauer's foreign policy of 1960. If they wanted to go on, they had to accept the opponent's conditions. In this instance, however, a great deal of metaphysics flowed into Germany, objective thought and the reality of moral ideas. Thus in the end, that extreme self-denial, which induced liberals to call their political form of organization the German State Party, came to be.

Quite apart from the dangerous flirtation with servitude, present in such attempts to gain favor, the political role of liberalism in the FRG cannot be that of a state party. And anyway, the state is adequately represented today by the so-called people's parties. The fact that they are called people's parties is indeed no less misleading than the rule of the people. The CDU/CSU and SPD are, in a special way, the parties of the FRG's sedentary structures; in contrast to them, the FDP must be the party of inquiry, of candor, of imagination, of fluidity, of "pure liberalism." This is an expression which I borrowed from Friedrich Naumann (who, however, was otherwise a thorough state liberal).

Nothing is more necessary today than such pure liberalism and the initiative which it produces. If the ground of people's real interests and aspirations slides out from under the immovable political structures, then this is a formula for breaks, for radical and unpredictable changes. Germany has experienced enough of such breaks to enable anyone to have a taste for more. But this means that the pure-liberal task precisely does not lie in appealing to the state. On the contrary, the ramparts of governmental reality must be razed.

Less government does not mean that a priority is the destruction of social achievements; it would be a dangerous misunderstanding if we were to be satisfied with that. Less government means the encouragement of those aspirations which people in society and industry have already had for a long time, even if these aspirations run counter to established structures and beloved morals and customs. It will not work to unleash such fundamental developments with a liberal aim, for then mass democracy would also completely stifle political freedom with intellectual freedom.

KOIVISTO'S TROUBLE WITH COUNTRY'S PRESS EXAMINED

President Misunderstands Press Speculation

Helsinki HELSINGIN SANOMAT in Finnish 4 Jan 84 p 6

/Article by Erkki Pennanen: "Koivisto's Problematic Relationship With Press of Old Origin"/

/Text/ General public might until now have believed that the relationship between Mauno Koivisto and the press has always been very natural and close. The mass media had indeed a central role in speeding up the growth of his popularity and helping him become president. In reality Koivisto's relationship with the press has involved more problems than what has appeared on the surface.

President Koivisto's most recent interview in Finland's oldest newspaper ABO UNDERRATTELSE is his so far most outspoken and open outburst of dissatisfaction directed toward the press. "Since the press is allowed to criticize the president, the president should also be able to criticize the press," Koivisto said in explaining his outburst at the beginning of the interview.

As a politician Koivisto, like other public figures, had to adjust to being constantly watched and grilled by the press. When Koivisto became president he made it clear that he would no longer be available to the editors other than on special occasions. That is the president's right and it corresponds to his role in the Finnish system.

As a president Koivisto has agreed to press conferences in connection with state visits and he has yielded into agreed-upon individual interviews on the editors' conditions, that is, without demanding the questions in advance. Beyond that he has not been available to the press.

The New Alertness of the Press

The press has not, however, been satisfied with the same reserved role in dealing with the president as during the final periods of the Kekkonen era.

Efforts have been made to follow the president's actions and statements as well as the shaping of the foreign policy style of his term with a completely new alertness. This has presented Koivisto with completely different public challenges than what was the custom during Kekkonen's time.

Koivisto, who had already earlier been harsh and sceptical toward the press, seems to experience the editors as an even more disturbing factor in this new atmosphere. Koivisto is no doubt ready to acknowledge the traditionally important role of the press in a Finnish democracy, but he obviously thinks that on a practical level the press meets the demands of this role in a very deficient way.

Koivisto finds that the press is completely unpredictable in its news reporting. It is never possible to know what it is going to turn into big news. The dominating majority of the editors seems to behave like a flock of lemmings following any currently dominating leaders of opinion.

The president is not able to understand that the press has to speculate, when it does not know something for certain. But he does not understand either that the press tries to squeeze out detailed reasons for solutions made by the president/ the Ministry of Foreign Affairs, when their exposure would, in the opinion of the foreign policy leadership, put the country in a vulnerable position. As an example of this he mentions the grounds for Finland's voting behavior at the UN vote on Grenada.

Koivisto does not see any basis for the press's complaints about the fact that the president's statements are often too difficult to understand and likely to cause confusion as well as undesirable interpretations. It is, on the other hand, hard for the press to give in in this matter: there are too many examples of misunderstandings and from too many directions.

The explanations that the president has from time to time given to the statements that have been hard to understand have sometimes just added to the confusion. Koivisto says indeed that one should never explain anything--if it is at all possible to avoid it--and one should try to avoid it to the very end.

What Did the President Mean Now?

He goes even further: "From now on I will make sure that nobody explains my train of thought--not even I myself."

Does the president mean this in a literal sense--the way he seems to say it--that it will no longer be possible to ask for any complementing or clarifying explanations from now on? That is hardly the case; this policy would lead to a downright crazy situation and--if consistently carried out--it would shut up the mouths of the Ministry of Foreign Affairs and the authorities as interpreters of Finland's foreign policy.

The president hardly could have had that in mind. Neither has the Ministry of Foreign Affairs received any new instructions. The president has simply once more expressed himself in a way that might according to the press' speculations lead to completely different paths than the president's own way of thinking.

Koivisto's recent letter to the chief editors and the now published interview show that something is wrong in the relationship between the president and the press of the country. It seems increasingly difficult for the president of the republic to understand the press and again for the press to understand the president. The situation will hardly improve as long as the dialogue is carried on in written form.

Paper Finds Statement 'Surprising'

Helsinki HELSINGIN SANOMAT in Finnish 4 Jan 84 p 2

/Editorial: "The Distance Between the President and the People is Growing"

/Text/ Two days after the 6 December the president of the republic gave ABO UNDERRATTELSE an extensive interview, which was published yesterday on the anniversary of the newspaper. A large part of the interview concentrates on the problems involving the relationship between the president of the republic and the public word. The subject matter is indeed of current interest now even more so than before the interview was published.

President Koivisto is irritated, among other things, because the mass media have questioned the motives of our country's foreign policy standpoints and asked that the foreign policy statements be clarified. The president is, on the other hand, also irritated because of the fact that some editors have, without asking for further details, misunderstood his carefully prepared foreign policy talks. He also says that he has found that he does not have the least bit of a chance to know beforehand, which issue a certain newspaper will blow up to a big matter.

As a conclusion of this pondering the president says that he will from now make sure that nobody will explain his way of thinking, not even he himself. The stand has such farreaching consequences that it has to be examined, primarily, from the standpoint of the functioning capability of our political system.

The president of the republic handles his duties with the authority given to him by the nation and his central duty is to direct the foreign policies of the nation; that is what President Koivisto says that he especially concentrates on, like his predecessors. One of the essential features of the traditional democracy of our country has always been that it has been possible to describe and explain to the nation the solutions and the reasoning behind them made by the people in authority, and it has been possible to talk openly about these.

And if it would now literally be so that the foreign policy leadership--the president and through his influence the Ministry of Foreign Affairs--would leave the questions that arise as a result of their activities without answers, this would mean that the foreign policy decisionmaking would become isolated from the traditional democracy. It would at the same time involve a significant increase in the distance between the president and the people.

If President Koivisto indeed has evaluated his relationship to the citizens in this manner, the task of the mass media is to explain as carefully as possible even this alarming trend.

One part of the interview that President Koivisto gave to ABO UNDERRATTELSE deals also with our relationship with the Nordic countries. Dissatisfied with a newspaper interview given in Finland by the Norwegian journalist Jahn-Otto Johansen who is very familiar with the circumstances in Finland, President Koivisto says that Johansen "is in any case an outsider: he cannot meddle with our domestic discussion the way he does."

Even this statement made by the president is surprising. The presentation of varied opinions in a free discussion in the Nordic countries even about matters concerning the neighbor countries is indeed--not a matter of "meddling with"--but completely normal communication.

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CSO: 3617/71

KKE PARTICIPATION IN GOVERNMENT POSES PARTY PROBLEMS

Athens I KATHIMERINI in Greek 15-16 Jan 84 pp 1, 7

/Article by And. Karagiannis/

/Excerpts/ The possibility of the KKE's direct or indirect participation in government affairs, now or later on, has been the subject of discussion in the press and by political observers. The latest meeting between Mr Florakis and the prime minister, coming a few days after their meeting on the Cyprus issue, has increased and intensified such discussions. It is considered certain that Mr Florakis found the opportunity to put before Mr Papandreou "the positions" of the latest decisions taken by the KKE Central Committee which includes the proposal for direct or indirect participation in the government.

It appears, however, that this subject as well as the conditions with which it is being put forward at this time is of concern more to the KKE than the government or anyone else. For the proposal to assume some political seriousness, the KKE itself must actually prove that it is in a position to participate, either directly or indirectly, in the government of a country having a free economy, a multi-party parliamentary system, and being a member of NATO and the EEC.

The French Experiment

For some 3 years in France, the communist party has been participating directly in the affairs of a government that is undertaking every effort to ensure the broadest possible popular acquiescence in the restoration of French capitalism and that has also proven to be the most fanatic "NATOist" of any French government in the last 20 years.

The French experiment is considered to have succeeded and to have functioned well up to now: the communist party's participation in government, while not creating any problems in NATO, the EEC and in relations with the United States, and while not at all changing the correlation of forces, it has helped the Mitterrand government to contain inflation and wages, to make unemployment socially tolerable --and perhaps operational--to limit the social cost of "capitalist development" and more generally speaking to implement a policy of moderation, completely indispensable for the restoration or at least the defense of French capitalism in a period of crisis.

Not even the battle over the deployment of "Euro-missiles" --the most significant diplomatic battle between NATO and the Warsaw Pact in recent years-- did not create any problem of conscience for the French communists: they remained steadfastly on the side of Mr Mitterrand and NATO.

The possibility of similar developments have been depicted for years now in Italy where the communist party is stronger and especially more independent. The need for the communists' participation in a "capitalist" and "NATOist" government can also logically come about in other NATO and EEC member states and especially in countries of southern Europe where the problems of "capitalist development" are more complex and difficult and, above all, coming with greater "social cost." That this system did not take place in Portugal a few years ago is attributed also entirely to the fact that the communist party there is inept and inflexible.

The KKE's Position

How does the KKE fit into such developments? Outwardly it gives the impression of a monolithic party, Leninist in nature and steadfastly pro-Soviet, with murky internal immobility either over ideological issues or political practice. These characteristics are reflected in an almost ceremonial kind of sloganeering and in a "revolutionary" form of rhetoric, roughly hewn, naive and insufferably boring and repulsive.

However, a more attentive analysis of its political behavior after 1974 and of certain of its texts reveals a somewhat different picture. It conducted itself with discretion and in no instance did it lead social opposition to any acute conflict. Its behavior fully justifies Mr Karamanlis' decision to legalize it and to make it one of the elements of balance of political forces.

If one were to think of the accumulated rage and the accumulated needs at the time when the dictatorship fell one could appreciate the "positive" role of the KKE and Mr Karamanlis' wise decision. Older generations of certain parties are perhaps annoyed by the presence of "Captain Giotis" in the chamber of deputies --although those who remember that pseudonym are becoming more and more rare. What counts more is that the prudent and discreet Mr Florakis is doing all he can to have this pseudonym forgotten and above all that he is constituting the living proof of the great virtues of our democratic system that make it attractive even to communists

At this time PASOK does not appear to have serious reasons to ask for support from the communist Left. Its parliamentary majority is solid, social opposition almost non-existent, while the government opposition is slight and without any integrated policy. The possibility of cooperation with the KKE might come about if, in some future elections, no party were to gain a complete majority --something that is entirely possible-- and if in the meantime conditions for government coalitions toward other directions were not developed.

In the final central committee decision, the working class is in essence called on to limit or abandon immediate demands and to share responsibility for the more general progress of the nation. The logical extension of this position is

that the working class must disengage itself from the traditional conflict between capital and labor when both --capital and labor-- are in the same boat that is being tossed about.

There is very little distance from this point to the point where the KKE begins to realize that "socialist" changes and private initiative are not always --and perhaps never-- two opposite terms, that the parliamentary system is a historic conquest and not merely a form of "class dictatorship," that "development" with modern terms is difficult or impossible to realize without the cooperation of the "accursed multi-nationals" --something that has been understood in East Europe for some years now-- and that the only possible independence that a "socialist" Greece can still lay claim to today is independence within NATO and the EEC. However, it is not at all definite that the KKE will succeed in realizing this.

This course by the KKE will be greatly facilitated by a parallel course by PASOK toward formal and substantial centrist positions, something that appears altogether logical and would also be the best --perhaps the only possible-- development for this party. This is so because, despite the misleading slogans, the basic choice in Greece is not (and never was) between "socialism" and "capitalism" but between "backward" and enhanced capitalism.

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PASOK EURO-DEPUTY ON GREEK FOREIGN POLICY

Athens OIKONOMIKOS TAKHYDROMOS in Greek No 1453, 1 Dec 83 pp 25-28

[Interview with PASOK Euro-deputy Giannis Ziogas by OIKONOMIKOS TAKHYDROMOS editor Giorgos Kyrtzos]

/Text/ Giannis Ziogas, a PASOK Euro-deputy replies to questions of OIKONOMIKOS on the relations of Greece and EEC with the Arabs, the Mediterranean countries and the Third World. His interesting and analytical replies offer responsible information and contribute to the discussion on important issues such as the LOME Conventions, the EEC Mediterranean policy, and the Euro-Arab dialogue.

On all these issues he touches on both the community and our national dimension. His analyses are tinted by his political affiliation while taking into account the true dimensions of the problem.

The interview deals mainly with three dimensions (Arab countries, Mediterranean, Third World) of our multidimensional foreign policy. This policy is not an exclusive invention of the present government--all other West European governments apply such a policy each using its own criteria--nor does it serve narrow partisan interests as claimed by the Opposition. Leaving out partisan differences, the basic problems remain the same; how can Greece project her role in the international community, to take advantage of opportunities for mutually beneficial economic cooperation, and to contribute effectively to the creation of a more just international economic order. A great deal is needed to be done. The distance separating us from a truly multidimensional foreign policy is tremendous.

/Question/ The negotiations toward a LOME III Convention have already started. In your opinion, what are the basic lines followed in the cooperation of EEC-African countries--Caribbean--Pacific (ACP) in the context of the agreements in Yaunde, LOME I and II?

[Answer] The agreements of Yaunde, LOME I and II provide the oldest and most developed form of Communal Developmental policy. The LOME system is the framework of privileged and unusual relations that exist between the industrial EEC countries and the group of ACP developing countries. The relations are regulated by the collective agreements which came out of negotiations conducted on an equal basis and which relate to the commercial, economic and financial dimensions of their cooperation. However, the results of this cooperation do not correspond fully to the initial and basic philosophy of the agreements.

EEC is the main partner of the developing countries in the commercial sector and has granted a greater number of commercial preferences on record. In this way, it tried to help the developing countries cope with their weak competitive position. The results have been limited and in some cases were negative because the use of preferences is unequal and the absence of customs barriers (certificates, insurance requirements) offset to a large extent these beneficial effects.

The results are equally poor in the industrial sector. The needs of the developing countries are tremendous. The considerable contribution of the European Investment Bank helped only a few of the ACP countries register some progress in their industrial production. But as a whole the industry of these countries remains in embryonic condition, while the influx of European industries continues to increase their external dependence.

The EEC contributed during the first year of LOME II (1980), in the context of public support for development, 10 percent of the total contributed by member states.

The annual rate for assuming obligations by the Community in 1981 exceeded 1.5 billion EAU (European Accounting Units). But this volume is insufficient, because if we take into account that the population of the ACP countries represents 8 percent of the world population and that their inflation rate is over 40 percent and also that the EAU was devalued compared to the dollar, we conclude that the real per capita contribution under LOME II is 25 percent lower than under LOME I. An illustration of the insufficiency of the financial resources is the unsatisfactory stabilization of income from exports of STABEX. This system for the stabilization of the income from exports has been greeted as the major innovation of LOME. Unfortunately, in 1980 only 46 percent of the applications for assistance was met. In 1981 this fell to 42 percent in spite of the adjustment made.

In conclusion, I wish to say that the planning for the implementation of the LOME Conventions was not always adequate. Many times we were removed from the spirit of complete equality of the partners and closer to the interests of the dominant European partner.

The cultural, administrative, geographic and economic disparity of the ACP countries did not help the spirit of equality among the partners. Of course, the problems of the ACP countries cannot be attributed to EEC, but the

Community has an obligation to help them in their development effort.

The New Elements of LOME III

/Question/ What can LOME III offer the less developed countries compared to the previous agreements? Will there be improvement or hardening of terms because of the economic recession?

/Answer/ As we saw, the inadequacies of LOME II were many. The Pizani Memorandum comes to chart a new Development Policy for the Community, giving priority to three sectors:

First, fight hunger in the world;

Second, develop the natural resources of the developing countries; and

Third, focus on the human and cultural dimensions of development.

It is evident that a new approach to the EEC/ACP dialogue is necessary. We must stop talking about investment programs and talk instead about an investment policy and a strategy of development which will incorporate homogeneous and specific investment programs, recognized and approved by the ACP countries themselves. Moreover, they will reflect their own priorities and basic goals, such as:

- a. **ECONOMIC DEVELOPMENT:** The autonomous and self-powered national development with greater emphasis on the supply of food. This goal passes through the creation of an agrarian infrastructure promoting food production and reducing imports and outside dependence.
- b. **THE CREATION OF EFFECTIVE REGIONAL COOPERATION:** Such cooperation is necessary for geographic and economic reasons. Commerce, shipping, communications and fishing at the regional level may form the basis for such cooperation, even among countries which are not party to the Convention.
- c. **ESTABLISHING A MORE JUST INTERNATIONAL ORDER:** In this regard, STABEX and the Community preferences for farm and other products could serve as basic sectors for action to accomplish this objective.
- d. **THE DEVELOPMENT OF MUTUAL UNDERSTANDING,** between the countries of the EEC and ACP for a fresh and substantial approach to the human and cultural dimensions of development.

In conclusion I would like to say that these goals must be based on principals which recognize the sovereignty of the ACP countries, accept their decisions on the kind of development strategy they prefer, defend their established rights to both sides, recognize the interdependence of interests in settling disputes, and tie the volume of resources with the objectives of the Convention.

Finally, with regard to the second part of your question, the negotiations on LOME III started indeed in a period of protracted world recession. The recession hurts all countries and creates new problems for the international commercial, financial, and monetary system, while it has particularly negative consequences on the developing countries and threatens their economic development for the coming years. There are, of course, differences of opinion in the negotiations and in the efforts to deal with the recession. Such differences are inevitable in the discussions over the framework for the cooperation between the Community and the LOME partners.

/Question/ What opportunities for business are offered by the agreements for development cooperation to the EEC member states? Specifically, what opportunities are offered to Greece in this sector? Are these opportunities utilized properly?

/Answer/ As I mentioned above, in the context of these agreements EEC finances a large number of development programs of the ACP countries. These activities fall into three categories:

Contracts for projects

Contracts for supplies

Contracts for project studies

The main instrument for economic and technical cooperation is the European Development Fund (EDF). In the context of LOME I (1975-1980), credits reached 3 billion EAU. The credits under LOME II (1981-1985) will reach 4,542 million EAU. The management of these credits is done by the Commission and come from the contributions of the EEC member states. Greece's contribution accounts for 1.34 percent.

It is evident, then, that significant business opportunities and prospects are likely, not only for technical and construction companies and service companies from the other EEC member states, but from Greece as well.

Unfortunately, the participation of Greek enterprises in these development programs is virtually non-existent. In my view, this is due to subjective and objective reasons:

The lack of the necessary foundation of Greek enterprises to reach the competitive level of their European counterparts.

The lack of interest on the part of the Greek enterprises to inform themselves about the possibilities offered by the European development programs for the ACP countries.

The lack of experience in such procedures and familiarity with the ACP countries.

The very limited Greek diplomatic representation in those countries, and

The inadequate promotion of Greek companies and technical offices in the ACP countries and among the Community employees.

I believe that following the efforts of the Ministry of Public Works the special importance is understood for the participation of Greek enterprises in the specific phase of the ETA program, but also in the future. Because if we do not get to be known now we risk remaining unknown and negligible in the future. We must emphasize that Greece can meet better than any other EEC country many needs of the ACP countries.

Greece and Economic Aid

/Question/ Greece usually takes a positive stand on the demands of the less-developed countries. In addition to political support, are we also able to offer economic aid? What initiatives have we undertaken specifically in this direction?

/Answer/ Greece as a country by itself does not give development aid to the less-developed countries and does not have structures similar to those of its EEC partners which would allow a practical policy for economic aid and support for these countries. Studies and some preliminary work has started in the Ministries of National Economy and Foreign Affairs but nothing has materialized as yet in this direction.

/Question/ How do you evaluate the economic cooperation between the EEC and Third Mediterranean countries? Does it correspond to the special needs of both parties or is it an aggregate of agreements which in the end do not promote the all-around development of the economies of the preferred EEC partners?

/Answer/ EEC started playing an active role in the Mediterranean in the early 1960s. EEC developed a complex of economic agreements in this area. The institutional framework of these agreements determines their economic fulfillment. In other words, the signing of the agreements tied both sides with regard to their moves with the result not to move forward the development of all sides of the economies of the preferential partners of EEC. We have in fact a form of "partial development" which resulted in "partial dependence" through a procedure based on commercial principles such as:

The differentiated commercial preference for similar products coming from different countries.

Limited preferences on products needed by the Community.

The quantitative restrictions for sensitive products of the Community's light industry.

The liberalization of the raw material trade.

As a result, trade today takes place on two levels:

First, between commodities produced on low wages and products of high technology.

Second, between similar products differentiated by the comparative specialization which is based on the comparative advantage of the area.

Therefore, the recognition of these levels in the form of today's trade between EEC and the Third Mediterranean countries must become one of the basic elements for the revision of the Community's Mediterranean policy.

The Mediterranean Policy and the Expansion of the Community

/Question/ The expansion of EEC requires the revamping of its Mediterranean policy. Which issues in your view should be given priority?

/Answer/ With regard to the development of EEC policy in the Mediterranean, the "Comprehensive Mediterranean Policy," as we call it, must have a softening impact on the regional effects of the impending expansion of the EEC to the south. Until now and in spite of the two expansions of the Community, one with the admission of Great Britain, Denmark and Ireland, and one with that of our country, there was no change in its Mediterranean policy. In the first expansion there was no need for change although Cyprus and Malta have a special relation with the Community and Great Britain through the British Commonwealth. The same happened at Greece's induction because it caused only marginal problems to other member states and especially to the two Mediterranean countries (France and Italy), while it benefited certain Mediterranean partners in their trade exchanges.

By contrast, the new expansion to the south (Spain, Portugal) places on the negotiating table the overall problem of the EEC relations with the Mediterranean countries. The issues that should be dealt with by the Community in the forthcoming negotiations should include:

First, the review of the goals of the Comprehensive Mediterranean Policy.

Second, the balance of the trade exchanges by paying special attention to the sensitive industrial products, the Mediterranean farm products, and the raw materials.

Third, the access to the Community capital market.

Fourth, the social insurance and the emigrants.

Fifth, the competition and economic development, and

Sixth, the sea resources.

/Question/ What opportunities can the new Mediterranean policy of the EEC offer and what problems may be created for Greece?

/Answer/ The opportunities and the problems of a Community policy can be assessed only if we know the peculiarities and inequalities determined by the economic interests of the member states and the partners.

Before I can speak about the opportunities that may open up for Greece under the new Mediterranean policy, I would like to mention Greece's production structure in the agricultural and industrial sector and the problems resulting from it. The main Greek products are citrus products, fruits and vegetables, wine, olive oil, tobacco, beans, and sugar. Sixty percent of all these products are imported into the Community from the Mediterranean countries.

With regard to the industrial products, the Greek production is included mainly among the sensitive products such as textiles, shoes, and foodstuffs. Thus, the problems of the Third Mediterranean countries such as their narrow industrial base, their specialization in certain farm products and their excessive dependence on certain farm products for export create additional difficulties for Greece and they pit her against the Community's preferential policy favoring those countries.

Precisely these points require special care on the part of Greece as the new Mediterranean policy is being developed. They are not the only ones. Because the consequences of the expansion to the south call for balancing actions which must be achieved through a new Common Agricultural Policy and the Comprehensive Mediterranean Programs aiming at a policy of convergence of the areas. Greece's opportunities are to be found in these balancing actions and the Comprehensive Mediterranean Programs. The question is: Will they be able to balance the unequal consequences through the structural form proposed by the CMPs and the level of the communal subsidies?

The Euro-Arab Dialogue

/Question/ What is the current status of the Euro-Arab dialogue? What problems does it face and what are the prospects?

/Answer/ Following the 1973 crisis, Arab ministers sought to contact the nine in Copenhagen and proposed a constructive dialogue between the Community and the Arab world. The nine EEC countries decided in Bonn in July 1974 to open a dialogue with the Arab countries. The U.S. objected to this move by the nine, and went along only after receiving assurances by EEC that the beginning of a dialogue with the Arabs did not mean isolation and interruption of contacts and consultations on questions of common interest.

During the same period the conference in Paris created the "Commission Generale" which assigned the coordination and advancement of the dialogue.

The Commission so far has had four meetings, the most recent in Damascus in December 1978.

The basis and philosophy of the Euro-Arab dialogue is outlined in the Cairo Memorandum (1975): "The Euro-Arab dialogue is the result of our effort to rediscover, renew and strengthen relations which are of interest to these neighboring regions; of our desire to overcome the difficulties which caused past problems; and of our determination to put the basis for our future cooperation which will comprise a wide sector of activities and all this to the benefit of both sides. The development of Euro-Arab economic cooperation must be based on this agreement which will contribute to the stability, security, and a just peace for the Arab world while promoting the cause of peace and security in the world."

Following the Camp David agreements and the expulsion of Egypt from the Arab League (March 1979), the Euro-Arab dialogue was suspended.

In November 1980 the dialogue was resumed in Luxembourg. The European side regarded this dialogue not only as a vehicle for two-sided cooperation but also as a channel for moving petrodollars to third countries chosen by the Community, to promote their development. The Community found the Arab world agreeable in this because the Arabs felt that sooner or later the oil would be exhausted and they did not think it wise to have their tremendous dollar reserves invested mainly in North America.

The ardent wish of the Arabs is to have a conference of the foreign ministers from both sides to study the political and economic aspects of the dialogue. For this purpose a Coordinating Group was established and met most recently in Athens on 20 September 1983. At that time the European side expressed reservations on the suggestions of the Arab League concerning the reactivation of the dialogue and the need for convening the Commission Generale. The suggestions of the Arab side reflect the wish to promote the economic, technical, social and cultural aspects of the dialogue, but also indicate a strong desire to expand greatly the political dimension of the dialogue, to foster the expression of European support for the Arab problems and objectives (withdrawal of the Israeli troops, creation of an independent Palestinian state, and intervention in the Iran-Iraq war).

The Community does not reject the political aspects of the dialogue but does not want to turn the dialogue into a vehicle for the solution of the Middle East problem.

The Minister of Foreign Affairs Giannis Kharalambopoulos, speaking in Strasburg, said: "Greece is committed to the further development of political, economic, cultural, and every other form of cooperation with the Arab countries, and for this we will make every effort to promote the Euro-Arab dialogue and give it more substantial content."

Greece, therefore, has the following possibilities for undertaking initiatives with substantive results:

- a. The convening of the Commission Generale of the dialogue to reaffirm the progress of the dialogue and restructure the overall system of the dialogue. The meeting of the Commission Generale is called for especially after the forthcoming signing of an agreement with the Arab League to establish in Athens its diplomatic mission, and
- b. Creation of a Trade Promotion Center with the chairmanship and headquarters of the special group for its establishment being possibly sought by our country which is the only one without responsibility for the coordination and functioning of any of the committees for the Euro-Arab dialogue.

Greek-Arab Economic Cooperation

/Question/ In spite of her friendly policies toward the Arabs, Greece does not do well in generating economic benefits from her relations with the Arabs. Do you agree with this assessment? How do you explain this?

/Answer/ I think the assessment of Greece's political and economic relations with the Arabs is done somewhat artificially. The pro-Arab policy of the PASOK government is partly an expression of the genuinely multidimensional Greek foreign policy. The premier has repeatedly declared that in the Mediterranean area we not only follow the traditional Greek policy of good relations but we also want to strengthen and develop them, so that the Mediterranean countries, the countries of the Middle East, and later the African countries will be able to play the role they deserve in shaping the history of our time.

We live in the vicinity of the Arab countries whose population exceeds 100 million. Since ancient times we have had historic ties with the Arab people. Flourishing Greek communities played an important role in the life of these countries. For centuries we have been trading with them.

In their majority these countries uphold a policy of nonalignment with military blocs and they are the natural allies of an independent Cyprus. Even if there were no oil, for purely national and geopolitical reasons the Greek policy should be pro-Arab.

The press of the Right often promotes the impression that the socialist Greek government promotes its pro-Arab policy presumably to secure some economic benefits. This is slander and tends to undervalue the foreign policy of the PASOK government.

The socialist government of Greece does not pursue its pro-Arab policy motivated by the expectation of some payment. Therefore, it will not be proper to speak of "gaining economic advantages from our close relations with the Arabs."

It is logical, however, to ask if we do everything we can so that in the context of our independent multidimensional, peace-loving foreign policy (which in the case of the Arabs is pro-Arab) we develop the best possible relations of economic cooperation and also if these efforts bring good results.

First of all, many steps have been taken and some good results have begun to appear. (So, in 1982 our exports showed a significant increase: Algeria, 61.6 percent; Saudi Arabia, 15.1; Kuwait, 8.9; Sudan, 40.3; Lebanon, 23.6, etc.) The prospects for 1983 appear positive and we expect to have a significant increase of our exports to the Arab countries by the end of the year. At the same time we must not forget the deposits in foreign exchange and the preparations, which are now in their final stage, for investments to promote exports.

Finally, Greece was the only Western country which took part in the second conference of Arab investors which took place recently in Morocco, and its representation by the Associate Minister of National Economy Vaitos created good prospects for new forms of economic cooperation in many sectors.

However, the good political climate and the friendly relations are only one of the necessary factors for a productive and mutually beneficial economic cooperation. To be realistic it may not even be the most important, the most decisive factor. The other is the economic factor such as the complementary nature of our economies, the quality and price of our export products and services, the attractiveness of investments in Greece, etc.

Do you think we can tell the Arabs: Take our oranges although they have thick rinds, or take this weapons' system although it is relatively old and expensive, or give projects to our construction companies even though they are not well organized and expensive, or bring your funds to invest in scandal-ridden industries, etc., and in exchange we will support you politically, etc., etc.

To gain access to the Arab market and to obtain economic advantages we must make an effort first to make our production more useful, more competitive, more attractive for our Arab friends, customers, or partners. The Arab market is open and the competition very hard. We have to pass difficult tests.

/Question/ In the opinion of the Greek socialists which should be the role of Greece, as an EEC member in developing the relations of the Ten with the less-developed countries or with the Arab countries?

/Answer/ This question touches on a central problem for Europe and Greece, with a strategic dimension and significance. In other words, it is not merely a problem of this period. Developments in Europe, its future socio-economic model, its independence and its economy, both in relation to the United States and to the Soviet Union, will depend on its relations with the Mediterranean, Arab and African countries and the Third World in general.

These countries, from an economic and political aspect, are Europe's natural allies. This is something some Europeans are unable to understand. Europe must develop a new form of politico-economic cooperation with these countries without the neocolonialist overtones which characterized so far the European policy and especially certain circles. Europe must stand as an equal ally and supporter of the Third countries in all the international organizations, bringing to them their requests to develop a new type of relations between north and south, for a new international economic order. For example, it may play a constructive role in lightening the burden of the heavily indebted countries of the Third World.

This is required by the European interest as well, the interest of the European peoples, and of the working people. Otherwise, this so-called European vision will disappear and Europe will become just an appendage of the super powers. Especially in this phase, when the local wars, the confrontations and conflicts between the two super powers increase in the Third World, and when some people still struggle for their independence, Europe must have its own autonomous role, its own policy.

This is what the peoples of the Third World were asking Europe to do. Signs of a new policy, a new perception of international relations during a period when the cold war attitudes are being revived were given by the present Greek government. It will continue its course in this direction to develop a different form of relations between north and south and to develop the cooperation between south and north.

This policy is dictated by our history, our geographic location, but also by a new logic and a new political culture, a new quality I would say, which marks our identity and differentiates us from many others.

7520

CS0: 3521/158

FORMER PASOK DEPUTY'S BOOK CRITICAL OF PARTY

Athens AKROPOLIS in Greek 6 Jan 84 pp 3,9

[Text] "The scenario of the permanent Socialist republic must begin to materialize 3 years after the PASOK first takes power in its hands cleanly and democratically. During that 3-year period the questions of the American bases, Cyprus and the Aegean should have been dealt with once and for all, on the basis of a durable solution and with the minimum political cost."

Establishing Political Prisons Foreseen

This is what the former mayor of Spata and former PASOK deputy, Dimos Botsaris, discloses together with a number of other interesting revelations for the enemies...and friends of the government party, in his 3rd book in a row which is already on sale under the title: "PASOK, Confidential File No 1." The above excerpt is attributed to Andreas Papandreou who also, always according to Botsaris' book, says the following:

"I do not think that 8 years as premier and another 5 years as president are too long a period for accomplishing the Socialist change of Greek society. Our new Socialist democracy is a very important cause and it is our duty to bring it about through the struggles of our people, our own fight for it and the great visions of the outgoing generation together with those of the generation that will follow us."

In the same book, the author reveals the "secret designs" of the PAK's Socialist Constitution (precursor, as is known, of the PASOK) which are in total agreement with the aims, the visions and the aspirations of the PASOK.

"The points that are published," says D. Botsaris in his book, "are a faithful copy of the PAK of the Exterior National Council resolutions, which it took the responsibility to carry out. 'Arming the people' is one of the targeted aims."

Armed

The crucial articles of the "Socialist Constitution" to be found in the "Confidential File" state that:

1. The new Constitutions must enforce the state ownership of production units, with the exception of course of small agricultural exploitations (where nation-

alization will take the form of cooperatives) and of small handicraft enterprises.

2. The Constitution must enforce the people's decisive and independent sovereignty. The people are and remain armed because, in practice, this is the only long term guarantee of their unviolated sovereignty.

3. The people are the only source of power:

a) the nation is decentralized into 11 regions. Each region is constituted by communes. The people elect directly the Communal Councils and the Regional Councils.

b) The Communal Councils are both legislative and executive. The Regional Councils are legislative bodies and they also elect the Regional Administrators.

c) The Assembly of Communal Councils elects the President of the Republic and the Supreme Council of Greek Justice (ASED) and is also in charge of revising the Constitution and the Program of Social And Economic Development.

d) The Assembly of Regional Councils elects the National Council of Economic and Social Development (ESOKA), the members of Parliament, the Radio and Television administration and the Supreme Council of the Reserve National Guard (ASEE).

e) Parliament together with ESOKA elect, in a joint session, the members of government.

f) Regional Security is the responsibility of the Regional People's Security Force which is under the authority of the Regional Administration. The government has neither a People's Security Force nor a Police Force. It coordinates the work of the Regional People's Security, through the Regional Administrations, insofar as this is indispensable for National Security.

"For this year..."

And Dimos Botsaris goes on to disclose, after the above articles which constitute an "iron dictatorship":

"The promotion and implementation of this "Constitution" is planned, in principle, for the fall of 1984, if things develop normally. This is the "type" of "green dictatorship" they have in store for us.

"But dictatorships are not so easily achieved, especially in countries with particular traits such as ours. And undoubtedly neither the US nor NATO would want a "Socialist government that would last 12 years and would, at the very least, maximize anti-american feelings in Greece."

"The scenario of the permanent Socialist republic must begin to materialize 3 years after the PASOK first takes power in its hands cleanly and democratically. During that 3-year period the questions of the American bases, Cyprus and the Aegean should have been dealt with once and for all, on the basis of a durable solution and with the minimum political cost."

"The signing of..."

"The Americans," continues Dimost Botsaris (whose 3rd book was also published by the "Isocrates" publishing house, Valaoritou Street 9, telephone:3602.962) "wanted for a variety of reasons the signing of the agreement on the bases staying on in Greece to be a unanimous 'popular vote' of the Greek people, with a percentage of approval of over 85%. And furthermore and above all, they wanted it to be signed by a 'people's government'. They secured this 'gift' with their personal assurances and Andreas' cooperation.

After the bases, it would be the turn of the Cyprus problem to be solved, in the wake of a series of occurrences and controlled pressures which would go through various phases. The contest would then end in a 'draw' with gains and losses .

"Finally the big national causes are to stop and 'freeze' on the problem of the Aegean. This question is the 'trump' card in the Americans' deck. The 'Damocles' sword' which they dangle every time with careful calculation over Andreas' head. And, at the same time, the 'chauvinistic pill' they offer almost free to Turkey. A 'pendulum of fear' which is swung with care and precision, without leaning to either side. From that point on, the scenario of a 'Socialist dictatorship that might last 12 years' can begin."

"Scenario"

Another chapter of the "Confidential File" is related to the "birth of the PASOK. The events that preceded it and the processes which finally brought into the world that "political monster" are analyzed and related in amazing detail, with hundreds of names, describing the positions and activities of each one.

We give here a typical excerpt:

"The steady political characteristics of the big PASOK 'scenario' to establish firm foundations for the "New Greek Socialist Republic" are constituted by the raw materials of the elements of a Socialist dictatorship modelled on Algeria, Syria or Libya.

"The 'scenario' Andreas has worked out and in which he totally, fanatically believes shows only one, significant on its own, 'warning' difference with regard to the above regimes. It wishes for a 'romance' and a 'flirtation' with Moscow but not for a relationship of open domination.

"For the civil marriage of the PASOK has already taken place in Washington and the 'dowry' has already been 'prearranged.' If Andreas upsets this fine and sensitive balance, within 10 days he will be overthrown. From there on no one can predict his future..."

In the "Confidential File No 1" of the PASOK there is the exact copy of the resolution of the PAK of The Exterior National Council which initiated a concrete scheme of endeavors. The chief aims of that scheme constituted subsequently the basic 'platform' of the PASOK ideology and, of course, the major axis of its activities toward the realization of its 'invisible' to the people program.

"That 'scenario' had its origins in a time of grave national problems. If one disconnects those events from the evolution of the myth that emerges from this question, the whole tale might appear to be superficial or even comical...Would that this were the case.

The Headings

"Whether he seriously means it or not," the writer continues, "the fact is that Andreas appears to believe with the fanaticism of a 'brahmin priest' in that crazy and incredible dream. And no one should doubt that he is quite capable of doing everything in his power to get to the point where his aims and targets will be served. Success is all that matters.

"I who know him well by now, am betting my life that he will make the attempt at all costs."

Some of the other "explosive" chapters of this 3rd book testify to the fact that there is not the least little bit of exaggeration in what preceded:

"Andreas Wants to Write Off His Own Son" explains the reasons why today's premier wanted to write off his son Yorgakis [little George] Papandreou, now a deputy of the PASOK, from the "Movement."

"The PAK Without Myths" analyzes the political identity and the political features of the "genitors" of the PASOK, that is to say the "PAK" and the "Democratic Defense." It also publishes the full text of the first PAK "manifesto" whose "idyllic" articles melancholically recall to mind with what attractive sirens' songs Andreas lured the Greek people to the shoals of his Socialism.

"The Development of The Military Branch of The PAK" refers to the first contacts with the representatives of the liberation movements of the Palestinians, the South Americans etc. Naming all those responsible for developing the "military branch." Also to the terrible conflicts within the PAK which are not surprising since it and PASOK sprang from the same roots and the same protagonists constituted the framework of the second "Movement." It also speaks of how various "mud-slinging campaigns" were undertaken and carried out against the most distinguished members of the party such as Amali Fleming, Yanis Tsekouras etc.

A chapter on an "explosion" which was decided on in 1972 and which, just by being published in this book, will cause many explosions.

Shocking pictures (such as that of a current deputy of the PASOK with his daughter, greeting Stylianos Pattakos officially and with bouquets!)

The "Confidential File No 1," in the wake of the writer's first 2 books ("I Denounce The Leaders of The PASOK" and "The Papandreou Dynasty") which became

bestsellers, completes a dramatic "trilogy" on the PASOK, from a man who was "educated politically" within it and knows it as few people do. And it also comes to fulfill a warning to the Greek people: "We are a year away from Andreas' 'permanent Socialism'." The first 2 years are over...

12278

CS0: 3521/161

SECURITY SERVICES TO BE REORGANIZED, NOT UNIFIED

Athens | KATHIMERINI in Greek 25 Jan 84 p 2

/Text/ During a press interview yesterday and in response to questions on the planned unification of the Security Corps, Public Order Minister Giannis Skoularikis said, in part: "The question of the unionization of those serving in the Security Corps will be solved by a provision to be included in the draft law to be prepared soon on the restructuring of the Corps."

Asked about the bill on the unification of the various Security Corps, Skoularikis said that the bill does not provide for the unification but for the restructuring or realignment of the forces of the Security Corps. He added that "the bill is not yet ready and therefore its introduction to the Chamber of Deputies will be delayed. The matter is still in its planning stage as are many other issues. As soon as the plan is completed it will be submitted to the government which is the only appropriate body to decide what to do. Our purpose is to realign the police forces in a way that they will be more efficient, in less time and at less cost."

Referring to the reactions against the planned unification, Skoularikis dismissed them as coming from small groups completely unrelated to the Security Corps. "Whatever is decided," he said, "will be the best possible and most broadly acceptable. For our critics I have some surprises in store. We are not going to be affected by their noise. We could even hold a plebiscite on such an issue which is of concern to the Greek people."

7520

CSO: 3521/158

EREL ON BLUNDERS OF U.S. CONGRESSIONAL VISIT

Istanbul MILLIYET in Turkish 17 Jan 84 p 6

[Article by Teoman Erel: "The 'Big Kids' of Today's Good-for-Nothing World"]

[Text] Three cheers to you, Mr. SILJANDER! Thanks to you, all our doubts have disappeared. You've answered a question that has bothered us for ages. You've told us "who we are and what we are," and you've given us such convincing evidence that there is no question left in our minds...

Yes, we owe our gratitude to this American Congressman's culture, his knowledge of history and his political acumen. Here is what Mr. MARK DELI*SILJANDER (that's how his name is written in the newspaper) said to let us know where our country belongs in the world and furnish us with proof: "You Turks see yourselves as European, but to us you are Middle Easterners. The best example of this is the fact that Turkey is discussed in the Middle East subcommittee --not the European subcommittee-- of our House Foreign Affairs Committee."

Mr. SILJANDER is himself a member of the Middle East subcommittee in the U.S. Congress. He has every right to think that this subcommittee to which he belongs is the most important committee in the world-- that it's even the center of the world! And thank God he is so open and honest-- not just in letting us know our place in the world, but also in describing the role his country wants us to play... As he said, "We need your support in order to resolve the Middle East problem. We want strategic military advantages for the continuation of a balanced Middle East, free from Soviet domination."

GUY VANDER JAGT was another U.S. Congressman who, along with SILJANDER, happened to show up in Turkey just when our President was in Casablanca for the Islamic Summit. VANDER JAGT told us that the U.S. wants the Turkish army to "stay cool and out of the fire" in the Middle East. He added, "...but as your partner, we would like to utilize your country's capabilities in the Middle East."

* 'deli' in Turkish means 'madman'

Long live American politicians with their brilliant ideas and their outspoken words! These fine young lads have managed to destroy in two sentences all of the efforts and maneuvers by stately old Ambassador STRAUSS-HUPE in Ankara to show that his country's diplomacy is sincere. They've told us very clearly that the U.S. wants to use our bases, that Turkey is not European, and that the U.S. sees us as Middle Easterners. The U.S. Ambassador, on the other hand, has been telling us that the U.S. is not asking Turkey to participate in the Rapid Deployment Force, adding: "We want Turkey to maintain its place in the Council of Europe. It is my belief that you need Europe, the U.S. and the Middle East..."

My dear readers, I am leaving it up to you to decide which of these people speaking on behalf of the U.S. is telling us the truth. Is it the shrewd diplomat over 80 or the tactless young members of Congress?

Actually, this Congressional delegation came to Turkey to pressure us on the Cyprus issue. However, its knowledge of history and diplomacy was so 'overwhelming' that we had to explain the Cyprus problem from the very beginning... At any rate, while the delegation was learning all about Cyprus, thanks to its members, we learned all about where the U.S. sees us in the world and what we need to do...

Unfortunately, all of this comes at a time when Prime Minister OZAL has just made the statement, "We will not run away from playing a role in the Middle East." Still, OZAL is not talking about a military role. He says that our general foreign policy preferences and regional developments will determine the scope of the role he wants Turkey to play. We are hoping that these 'developments' will not be accelerated by the U.S.' cowboy diplomacy and that we will not be forced into roles that are incompatible with our own interests and with our basic tenet of 'peace at home, peace in the world.'

Let's just be aware of the fact that those who want to push us into such adventurist roles are not our Islamic or Arab friends. The Islamic countries and the Arabs honor us as a distinguished member of the Islamic Conference despite the fact that we are a member of NATO and the Council of Europe, that we are the only Moslem country not to sever relations with Israel, and that our Constitution contains principles of secularism.

The adventurism and imbalances that are upsetting us in our region are being incited from elsewhere, from distant capitals. The instigators do not have the mentality to appreciate that Turkey has inseparable ties with Europe even if it lies within the borders of the Middle East. This is not their intention. But then again, what are we to expect from the diplomacy of

'Big Kids' who have the audacity to play world leadership roles, but do not have the faintest idea that our ties with Europe are not limited to the little bit of territory we have in Thrace-- that they stem from the 2.5 million citizens we have in France and Germany, from the nearly one million Turks in the Balkans, and from 500 years of history that we have lived with Europe as a part of us?

These people make rash plans and talk loudly, but because they live far away, they get other people into trouble-- not themselves.

What a good-for-nothing world this is...

12279

CSO: 3554/133

MUMCU SEEKS CLEAR DEFINITION OF 'POLITICAL CRIME'

Istanbul CUMHURİYET in Turkish 17 Jan 84 pp 1,11

[Article by Ugur Mumcu: "Political Crime..."]

[Text] Last Saturday's newspapers carried a statement by Foreign Minister Halefoglu. The report, released from Bonn-Anatolia News Agency, states that the Foreign Minister told the German newspaper GENERAL ANZEIGER: "There are 12,559 people imprisoned in Turkey for involvement in armed terrorist activities, but there are no political prisoners in the country." It is incredible that the Foreign Minister could ever have made such a statement.

If Halefoglu did indeed say this, is it true? Absolutely not, because at this very moment there are political prisoners in custody or serving sentences in Turkey.

If he made the statement, it probably stems from some confusion over the concept of 'political crime,' for like every other concerned individual, Halefoglu surely knows about the people and organizations being tried in Turkey on charges other than 'armed terrorist activities.' For example, are accused members of the National Salvation Party, including Prime Minister Ozal's own brother, on trial for 'armed terrorist activities?' Is this why they are in prison? And are organizations like the Confederation of Revolutionary Workers Unions, the Peace Association, the Turkish Labor Party, the Turkish Workers' and Villagers' Party, the Turkish Teachers' Unity and Solidarity Organization, and the Union of Cooperatives for Village Development and Other Agricultural Goals being brought to trial for 'armed terrorist activities?' No, neither the indictments nor the statements of justification in connection with these cases have ever contained any charges alleging involvement in 'armed terrorist activities.'

As an experienced and distinguished diplomat, Halefoglu should know better than any of us the difference between 'political

crimes' and 'crimes of terrorism,' since the concept of 'political crime' is in international documents. The 'European Agreement on Extradition of Criminals' calls for extradition of individuals who commit crimes of a political or politically-related nature. The 'Agreement on the Legal Status of Refugees' and the 'European Agreement on Prevention of Terrorism' also give separate treatment to the concept of 'political crime.'

In other words, the concept of 'political crimes' as opposed to 'crimes of terrorism' is used in international texts and contained in bilateral agreements we have signed with other nations. Every diplomat is obliged to memorize these international texts. Even if he does not know the texts, he must know that there is something called 'political crime.'

Halefoglu, who is reportedly well-versed in Ottoman culture, probably knows better than any of us that it was a 'political crime' in the Ottoman Empire period if a statesman failed to fully perform his duties, if an individual was deemed harmful to the state, or if an individual attempted to rebel against the state. If the Sultan felt that an individual was 'harmful to the state,' that was enough for that individual to be sentenced to 'death by order of the Sultan.' Today we are living in a period wherein the state is based on 'rule of law.' Criteria should be consistent with modern law.

We also understand that our Foreign Minister speaks French like his native tongue. French law is very rich in terms of the 'political crime' concept. Since the beginning of the last century, French jurists have been studying the concept in depth and have even developed criteria. We believe that our Foreign Minister has carefully examined all of these criteria.

These criteria make it easy to define 'political crime' as crimes committed against the state and state mechanism or against individuals' rights and freedoms.

Based on the French legal system, crimes committed against the state and state mechanism consist of armed, organized operations. Such crimes could also be committed through the existence of organizations banned by the law or by the constitution, or through **expression** of thought. These latter are not 'crimes of terror.' They are what legal jargon terms 'threats.' We commonly refer to them as 'ideological crimes.'

To give you an example, the crimes dealt with in Articles 141, 142 and 163 of our penal code (namely, spreading propaganda or establishing organizations for religious purposes or for Marxist-Lenist ideological purposes) are punishable because they are considered 'threats' to society. The same holds true

in the case of Article 146 in connection with 'violation of the Constitution.' As you know, in accordance with this Article, an 'attempt' to commit a crime in violation of the Constitution is considered a crime. Punishment befitting the violation is mandatory, even if it was nothing more than an 'attempt.'

Articles 141 and 163 consider the formation of organizations such as parties, associations and unions a crime based on the assumption that their organization will pose a 'threat' to society.

Today it is difficult to distinguish between 'political crimes' and 'crimes of terror' in international texts and practices dealing with 'crimes of terror.' Simple offenses committed for political purposes make this distinction especially difficult. But then again, it is very difficult to comprehend official statements to the effect that "there are no political prisoners" in a country where people who have no connection with armed operations, who are not being judged for such crimes and who do not appear to be involved in terrorism or related acts, are being tried as criminals and imprisoned.

We really do not want to believe that an experienced diplomat like Halefoglu would make such a statement; perhaps our colleagues in Germany misconstrued what he said.

If Foreign Minister Halefoglu likes, he can ask Prime Minister Ozal this question: "Sir, when you were Deputy Prime Minister, did you used to visit your brother Korkut in Mevki Hospital in Diskapi, Ankara as a 'terrorist criminal?'"

12279

CSO: 3554/134

ILICAK ASSESSES 'NEW' FACE OF TURKISH POLITICS

Istanbul TERCUMAN in Turkish 17 Jan 84 pp 1,10

[Article by Nazli Ilıcak: "What is The Old?"]

[Text] At the "Consultative I" meeting of the Motherland Party (MP), Prime Minister TURGUT OZAL made the statement, "We are not interested in the old; we are a brand new party." He went on to say that the MP was rejecting the call by certain parties to unite, because it saw "the footprints of old parties on the land." At the MP registration ceremony in the Eminonu district, MP Deputy Chairman ADEM KAGITCI also directed a comment at SODEP and Correct Way by saying, "We do not deal in old merchandise."

OZAL's party has indeed emerged with a brand new mentality. Compared to the majority party on the right prior to 12 September, this party has a different outlook on the West; its view of the industrialist is different; its slogans are different.

For example, in the period following the 24 January decisions, we never heard any member of the government come right out and attack the industrialist by saying, "We are going to break up monopolies." We never heard the private sector described as individuals who "steal the people's savings" by using money at low cost. Although the principle of everyone sharing in the wealth of the state had been talked about before, we had never seen the conflict between the classes ignited by a sentence like "We will take from the rich and give to the poor."

Slogans like these were never the slogans of a majority center-right party; they belonged to more extremist parties. In the period when the extremists had the Ministry of Industry under their control, we did hear about the private sector enemy.

Since the land is being newly cultivated and the MP does not want old footprints to remain on it, it needs to try a bit to get rid of the prints on the extreme end of the field too.

Relations With the West

By the same token, we are unwilling to view our relations with the West merely within an economic framework. It is our destiny to be western because we share with the West values like freedom, human rights and democracy. We need to take precautions to keep from breaking away from the West and adjust our steps accordingly. For example, taking a risk in January is nothing if it means that our Parliamentary Deputies will be quietly accepted in the Council of Europe in May.

We cannot say "Who does the Council of Europe think it is?" because it does not want our Deputies owing to the restrictions on the 6 November elections. The Council is not against Turkey; it is against the way the elections were held.

Do we defy the IMF by saying "Who does the IMF think it is to impose certain restrictions on us?" No --because we need the IMF's green light. The IMF does not want to give us this green light unless it sees that the Turkish economy is stable. We play the game with the IMF according to the rules. There is nothing different in the case of the Council of Europe. The restriction that the Council imposes is democracy. It adheres to this restriction meticulously and asks all its members to conform. Since the Council has backed down a bit now that OZAL has won the elections, we too need to demonstrate the necessary flexibility and take advantage of its softened position.

However, OZAL does not see Turkey as a part of the Western world. He says, "We are a Middle East country." Being Western means having a Western mentality. For example, Japan is an Asian country but it is Western. The same holds true for Turkey.

Dislike for the Past

Another peculiarity of the victorious MP is its attitude towards the old. That party had started out by claiming that it would keep the beliefs and ideas of "the past" alive. At a time when the past meant depression and long lines, it was able to say, "No lines-- everyone is a child of this motherland."

OZAL now says that he is going to wipe out the footprints of "the past" on the land. But in that past, there are roads, factories, dams... In that past, there are hearts burning with love for Turkey; there is toil to increase production; there is sweat; there is the diehard struggle against those who wanted to wave the red flag. In that "past" is the spirit of 1946. In that past, there is a Prime Minister who served his country and in the end lost his life at Imrali; there are also two Ministers. In that past, there are voters who believe in the

past and voted for the MP thinking that it was continuing the past.

The "Past" is not an armchair with a broken leg that gets tossed into some corner at a flea market. It is a past full of honor and success.

The two right-wing parties have taken different stances on the "past." Correct Way is saying, "We are simply a milestone on a long road. We are like the streams that flow into the Great Mendiros River." MP is asking for votes by taking on a brand new identity and saying that it is going to wipe out the footprints of the past. It is using harsh phrases like "We do not deal in old merchandise."

Let's see how the voters feel about this in the local elections!

12279

CSO: 3554/133

BIRAND SPECULATES ON COE APPROACH TO TURKEY

Istanbul MILLIYET in Turkish 24 Jan 84 p 7

[Article by M. Ali Birand in the column "Corner": "The Situation One Week Before The Council Meeting."]

[Text] One week from today discussions regarding Turkey will have begun in the Council of Europe.

During the past 2 weeks Turkey has done some intensive work both through official channels, that is, through the contacts established by the Minister of Foreign Affairs, Halefoglou, and through the talks the new Turkish Parliament members who went to Europe had with fellow members who will participate in the voting. They explained why Turkey should participate in the end of January meeting, the importance that is given to it and why, if a negative vote came up, Turkey would have no other choice this time but to leave the Council altogether.

At this stage, Turkey's rapporteur, Steiner, summed up the situation in the following manner: "Matters regarding Turkey are still very confused. And it is expected that this uncertainty will persist until the voting if it takes place."

And that is the whole aim: to prevent any voting from occurring in the Council in January.

Today the President of the Consultative Assembly, Ahrens, will initiate contacts with Ankara. The message he brings is to the effect that instead of in January, Turkish Parliament members should come in May, in return for which the Council will take no decision concerning Turkey at the January meeting.

Whereas Ankara is determined to send its delegation without fail in January.

It cannot be established concretely yet whether the contacts of the Minister of Foreign Affairs, Halefoglou, in Stockholm and the talks the Turkish Parliament members had with their European colleagues changed any votes in favor of Turkey. This is a point that is still unclear.

And efforts are being made precisely to forestall the dangers of such an uncertainty or of accidental voting.

At this point Turkey says that it wishes to send its Parliament members now but has no objection to the voting being left for May. The official governmental wings and the Council's conservative factions are beginning to share this view.

However, the other large group which is believed to hold the majority (the Spanish, the Portuguese, the Greeks, the Communists, the Socialists and a section of the Liberals) claims that if the Turkish Parliament members come, this will mean that the Council will have convened and that it will be possible to proceed immediately with the voting. In such a case there is a strong possibility that the results of the voting may be negative for Turkey.

This is the point where things stand.

There is no sense in trying to hazard guesses as to what might happen. But if the Council's Consultative Assembly decides to hasten this voting of such vital importance and to complete it in January, instead of leaving it for May, and if it rules that the Turkish Parliament members cannot participate in the work of the Council on the pretext that they "do not represent the Turkish population," this would be, in one word, terribly "irresponsible." Such a conclusion would be a great blow to the Council's reputability and could lead to the beginning of a serious crisis. Our wish is that some of the Council members would act in a sensible manner.

A short term quickening of Turkey's relations with the European 10, that is with the Common Market, should not be expected either.

While the contacts Halefoglou made in Brussels elicited some interest, they did not result in an immediate opening of doors. At any rate, this was not really expected.

The EC Commission, like the Parliament members of the Council of Europe, is still dwelling on questions of a political nature.

As is known, the signal that Turkey's relations with the EC have been brought out of the freezer will be the freeing up of the \$600 million 4th financial protocol. And this is in the hands of the European Commission.

In the information Halefoglou conveyed, its approach to topics of a general nature was heard with interest by both Thorn and Haferkamp. However, no message to the effect that "All right, now we are beginning to act," was issued. The EC is considering some symbolic gestures. Such as sending a delegation, freeing some credits for small projects which are pending in the Council of Ministers... But it believes that the time has not come yet to go back to things the way they were in the past.. Because it keeps an eye on the European Parliament, which is constituted by EC countries...while the European Parliament keeps an eye on the decision the Council of Europe will reach.

The vicious circle has not been broken yet. It may be possible to return to normal little by little and in small steps, within this year. Provided everything proceeds normally. That is to say, if approaches which do not conform with those of Western democracies can be eliminated...

ACADEMIC ANALYZES LOCAL ELECTION LAW

Istanbul CUMHURIYET in Turkish 24 Jan 84 p 7

[Interview with Assistant Professor Hikmet Sami Turk of the Ankara University Faculty of Law: "What Does Local Election Law Bring?"; date and place not specified; passages enclosed in slantlines printed in boldface]

[Text] Ankara (CUMHURIYET BUREAU) - Member of the Ankara University Faculty of Law /Assistant Professor Doctor Hikmet Sami Turk/said that compiling into one text the Local Election Law, which was scattered among various laws related to elections was an important initiative. Assistant professor Doctor Turk answered as follows the questions of the CUMHURIYET correspondent on this subject:

Question:/What are the fundamental characteristics of the Local Election Law?/

Answer: Law No 2972 on electing local officials, District and Village Headmen and members of the Aldermen's Councils, which until now consisted of clauses scattered among 4 different laws related to the election of members of the local Provincial Assemblies, of mayors and members of municipal councils, of village headmen and members of the aldermen's councils, has now been assembled into a single text with some additional provisions. Assembling into a single text the same or similar provisions on related subjects is a constructive step toward simplifying the entire Turkish legal system for elections. At the same time, Law No 2972, together with the now well established classical provisions of the laws on elections, also brings a variety of new provisions which are open to debate.

The Reduced Runoff

Question:/What are those?/

Answer: Foremost are the new provisions directly related to the election system. While mayors, village and district headmen and members of village aldermen's councils and district aldermen will be elected as before on the basis of the majority system, a system of /"proportional representation based on a runoff reduced by 10%"/has been foreseen for the election of members of Provincial General Assemblies and of municipal councils. Thus Provincial General Assembly and municipal council elections which since 1963 were based on the d'Hondt proportional representation system, will be implemented from now on according to the/"runoff system reduced by 10%"/ as this new kind of runoff system has

been called. This is a 3rd type of runoff, which comes after the 10% runoff implemented in the entire nation for the election of deputies and the simple runoff election calculation which is made in electoral precincts. But the new runoff system differs from the 10% runoff system of the Law on the election of deputies insofar as it does not constitute a condition for being included in the calculation for the distribution of seats while it is at the same time a factor in this calculation. According to article 24 of Law No 2972, the number of valid votes obtained by the candidate of a political party or by an independent candidate will be taken into consideration in accordance with the d'Hondt system, minus 10% of the total number of valid votes obtained in the electoral precinct.

Question:/Can you illustrate this with an example?/

Answer: It is possible to give the following example. Let us suppose that the totality of valid votes in the election of 10 members to the Provincial General Assembly is 100,000 and that those votes are distributed in the following manner among the 5 parties which participated in the elections: party a 40,000; party b 26,000; party c 14,000; party d 11,000; party e 9,000, those being the actual numbers of votes obtained. As can be readily understood, the proportion of votes for each party, out of the total number of valid votes is: a 40%; b 26%; c 14%; d 11%; e 9%. If some kind of runoff is not implemented, according to the d'Hondt system the number of valid votes obtained by each party candidate or each independent one is divided in turn by 1,2,3...and the shares obtained are distributed according to size among the parties concerned or among the independent candidates. In such a case, according to the example we gave, the number of seats each party will obtain in the Provincial General Assembly will be as follows: a 4; b 3; c 1; d 1; e 1.

The Calculation For The Distribution of Seats

Question:/What happens when the runoff system is implemented?/

Answer:When 1/10 of the totality of valid votes, in other words when a runoff on a 10% scale is implemented, in the example we gave since the figure of the runoff will be 10,000, party e which obtained 9,000 votes will be excluded from the calculation for the distribution of seats. Technically speaking, since it is a question of a party having to obtain a minimum of votes or a certain proportion of the votes to be eligible for the calculation of seat distribution, the parties that qualify are included on the basis of the total number of votes they have obtained. In such a case the 10 seats of the Provincial General Assembly of our example would be distributed as follows among the 4 remaining parties, according to the d'Hondt system: a 5; b 3; c 1; d 1. It can be seen that as a result of the runoff, the seat of the smallest party goes to the largest party; this illustrates the bonus from which the big party benefits directly due to the runoff.

But the influence of a 10% reduction on the runoff foreseen by Law No 2072 goes even beyond this outcome. The number of votes obtained by each political party and independent candidate will be taken into account only after a 10% deduction is made on the total number of valid votes obtained in the precinct,

which in our example would be 10,000 less so that the parties which will have secured votes on the basis of the figure obtained will participate in the calculation for the distribution of seats with the following numbers:

/a 30,000; b 16,000; c 4,000; d 1,000; and thus the total number of valid votes that are left for the 4 parties, after a 1 % reduction is 51,000. Consequently a portion approximating half (49,000) of the total number of votes of the precinct is not taken into account, is viewed as not being valid in a sense. As a result of a 10% reduction, the proportion of the total number of valid votes taken into account also changes for the parties and is as follows: a 58,82%; b 31.37%; c 7.84%; d 1.19%./Under the circumstances, the Provincial General Assembly's 10 seats will be distributed among the parties by calculating the remaining number of valid votes according to the d'Hondt system, as follows:/a 7; b 3; c nil; d nil;/In this way the participation of parties in the calculation of the votes obtained according to the 10% reduction system brings about the result that the single seat gained by the 3rd and 4th party goes to the strongest party.

Which means that implementing the 10% runoff system by further downgrading it, aside from the negative effects of such a runoff on small parties also gives the big party or parties an additional bonus. And so it can be said that the 10% reduction of the runoff contains 2 elements: that of the classical runoff, which ensures in fact one bonus and an additional bonus which results from another 10% reduction.

Very Small Chances For Parties

Question:/Any parties other than the 2 main parties do not have too many chances?/

Answer: Yes, as can be seen from the example we gave, the new system inaugurated by Law 2972 will not give too many chances to any parties other than the 2 main parties which will have obtained the most votes in each precinct. Under this system there are very few prospects for a 3rd party to gain a seat. When one looks at this on a nationwide scale, it becomes apparent that it will become rather difficult for small parties to be represented, for independent candidates to secure seats in Provincial General Assemblies and in Municipal Councils. As the figure in absolute numbers which expresses this runoff reduced by 10% becomes higher, proportionately to the importance of the precinct, specially in large cities it will be extremely difficult for small parties and independent candidates to overcome this obstacle and, even if they do so, to secure a share in the distribution of seats. Consequently, the number of votes which are not represented in local assemblies can reach a high figure, particularly in large cities. For this reason the projected system might lead small parties and independent candidates to seek means of gaining influence in much smaller electoral precincts,

Question:/Can it be said that the new system is unconstitutional?/

Answer: During the period of the 1961 Constitution, in a 1968 ruling the Constitution Court repealed the paragraphs of article 32 of Law No 306 on the Election of Deputies which foresaw the implementation of the d'Hondt system in a

simple election count with a runoff, as being contrary to the laws of a democratic state, the freedom of elections and the principles of a social system based on multiple parties, beside being damaging to the right to elect and be elected. This ruling has been widely criticized. In fact, it was mainly keeping an eye on this ruling which simply repealed the clauses of article No 32 related to the runoff and thus led to the emergence of a system unforeseen by the legislators, namely that of the d'Hondt system without the runoff, that later prompted clause No 11 of article No 53 of the Constitution and the Constitution Court ruling that: /"When repealing a resolution or a clause in a resolution, in a law or in an article of the law, in the course of legislating, a resolution that might lead to a new implementation would not be acceptable."/

In fact, neither the 1961 Constitution nor the 1982 one foresee any election system regarding a majority, a proportional representation or any kind of those specific cases. The Constitution is open to syntheses which will balance, according to suitable criteria, the principles of merit and justice on which a good election system ought to be based with the conditions prevailing in a nation. That is why it would be more proper to debate the question from the angle of whether such a system is suitable for local elections rather than of whether it is in agreement or not with the Constitution.

Requirements Not The Same

Question:/Would you elaborate a little more on this thought of yours?/

Answer: With Law No 2972 coming into force, this runoff will be implemented for the first time in Turkey for local elections. But the requirements of runoffs for parliamentary elections are not applicable to the same degree to local elections. In practice it might help to run Provincial General Assemblies and Municipal Councils smoothly. But the aim of protecting the nation from governmental crises or from coalition governments, which is valid for parliamentary elections, does not apply to local elections. Because in the provinces there will be a governor, appointed by the central authorities and in the townships the mayor will be elected according to the majority system and both will perform their duties as executive organs.

That is why social currents which remain within the limits of the Constitution should not be prevented from being represented in a fair proportion. The fact remains that the new Law No 2820 on Political Parties differs from the old Law No 648 on Political Parties to the extent that it does not allow political parties to form groups in the Provincial General Assemblies and the Municipal Councils. Consequently, there can also be no question for members of those assemblies who belong to a party to act according to a group discipline. When one examines the matter from this angle, it becomes apparent that over the advantages the runoff system of Law No 2972 might bring, it will also pave the way to injustices which will prejudice the principle of equity in a way and to a degree which are not permissible.

12278

CSO: 3554/139

WOMEN TO BE ALLOWED TO OPERATE IN COMBAT SUPPORT FUNCTIONS

Copenhagen BERLINGSKE TIDENDE in Danish 29 Jan 84 p 3

[Article: "Women in the Military Included in Combat Roles"]

[Text] Experimental regulations will increase women's chances for a career in the military. Female military personnel are doing well at their jobs, but their psychological resistance is lower than that of men.

Now women will be able to serve in real combat and combat-support units.

During the next few years, the military is planning to introduce new experimental regulations for women in the army and the air force, including a tank squadron, an armored infantry company, field and antiaircraft artillery units, a rocket squadron, and various support units in the fire and rescue service.

Experimental arrangements are already in effect in the navy, with women on-board ships.

But the general rule will continue to be that women will not be used in positions in which there is the possibility of direct participation in combat. For this reason, the military must continue to seek exemptions from the Equal Opportunity Law.

Defense Minister Hans Engell discussed the new plans yesterday at a conference of Conservative women. He pointed out that the use of women by the military would be set up in such a way that men and women would have the same career opportunities.

"Of course, we hope that the experiments will yield the expected results, so that men and women can be accepted in certain combat units on an equal footing."

"Experience shows, however, that there are certain positions such as artillery loaders in which the physical capabilities of women normally are insufficient," the defense minister said. He also stressed that the overwhelming majority of military leaders believed that women were doing well at their jobs in the military.

"Recent studies have shown that women are just as capable of commanding troops as men and that women officers are accepted by all other military personnel. Women are just as motivated to serve as men are," the defense minister said.

He also said, however, that the studies showed women's psychological resistance was consistently slightly lower than that of the men. This could be because, in general, women are in worse physical shape than men.

"This places certain restrictions on the use of women and of some men, for that matter, if they have physical shortcomings."

"There is no doubt that women are now in the military to stay. For this reason, we must strive to follow the spirit of the Equal Opportunity Law and, at the same time, guarantee stable and well-managed development, while maintaining our previous level of effectiveness," the defense minister said.

9336

CSO: 3613/88

ADVANCES IN DRONE, REMOTELY POWERED VEHICLE DEVELOPMENT

Bonn WEHRTECHNIK in German Nov 83 pp 100-103

[Article by W. Flume: "Small Flying Vehicles--New German Developments"]

Text] Israeli successes in the war in Lebanon with their pilotless, remotely powered vehicles (RPVs) SCOUT and MASTIFF for target reconnaissance and real-time TV transmission has provoked great interest worldwide in these small flying vehicles. There is more to this, however-- these RPVs can be employed in a most flexible and variable manner; they are simply constructed and provide an opportunity for target reconnaissance and target attack in the enemy's rear and without endangering friendly troops. Corresponding development exist in the FRG also--some of it having been planned for a long time, but recently accelerated, as set forth in the following article.

No matter how much "in fashion" RPVs are these days, their development dates back farther than the last 10 years. There was for instance the glider vehicle AERODYNE by Dornier, which was developed and tested in Germany as long ago as the 1960s and 1970s, when vertical-takeoff machines were all the rage. Dornier is widely respected in the area of pilotless aircraft, especially for reconnaissance purposes. Among other projects, the firm produced a modified version of the Canadair CL-89 drone, about 60 of which were delivered to the German Army in 1970; thereafter, Dornier participated in the development of the CL-289 drone. The latter is to be delivered from 1987 on; its great advantage over the CL-89 is the real-time transmission of infrared pictures and its considerably greater capability for flight path programming. The CL-289, which is to be used at corps level for target and situation reconnaissance, is slated to operate at a reconnaissance distance of up to 120 km.

The CL-89 and 289 are to be supplemented by the tethered rotor platform ARGUS by Dornier, with a surveillance range of up to about 60 km. This division-level reconnaissance instrument has the pulse Doppler radar (with ground clutter suppression) ORPHEE II, made by the French firm LCT. However, the future of this 24-hour operational system is doubtful (fuel is pumped up

through the tether to the KIEBITZ platform "standing" at an altitude of 300 meters), because the performance of the Allison C250 turbine does not meet specifications (it serves as the gas generator for the rotor-tip mounted propulsion units) and because of the detection risk of the ground station below the ARGUS. Development has been stopped for the time being and Dornier is proposing a substitute which would mount the radar in a pilotless, remote-controlled helicopter with coaxial rotor. Its ceiling altitude could be up to 3000 meters, which would provide improved reconnaissance capability. Flying time would be only a few hours. It is not known yet whether this proposal for an ARGUS II has any realistic chance of success; but inasmuch as the army's reconnaissance deficiency, especially for multiple-launch rocket systems (MLRS), is well known, the search is on for an appropriate remedy.

What do the others do? The United States (with SOTAS) as well as the French suspend the reconnaissance radar beneath an "ordinary" piloted helicopter, or they use conventional aircraft like the MOHAWK which has less vibration.

Additional supplementary systems may consist of a small RPV for target detection (KZO), for which both MBB (with its VFW subsidiary) and Dornier have submitted design proposals which are currently under study; the definition phase of the project could start as early as spring 1984, possibly with two firms collaborating. Delays are conceivable, since a German-French joint venture is desirable. Both firms are agreeable to this and have already selected their respective partners.

The mission of the KZO consists of reconnaissance within and in front of the battlefield (up to about 50 km), for target, situation and effect reconnaissance using real-time, highly accurate detection and surveillance in daylight, darkness and bad weather under all types of combat conditions. It should be put in service by the army by 1989/90.

The MBB proposal for the KZO is firmly based on the TUCAN experimental program which was financed by the Ministry of Defense and was designed to provide a "safe" RPV. Until now, 250 flights with machines weighing up to 117 kg, 2.25 meters long and a wingspan of 3.3 meters, have demonstrated good flying capability and suitability as a sensor platform. Launch of the reusable KZO is effected from a canister by a pyrotechnical booster situated behind the pusher-type propeller. About 50 meters after takeoff the booster is jettisoned. The RPV is guided by a ground command station which, together with the ground data terminal and the maintenance cabin, forms a self-contained system. The RPV, whose flight path is largely preprogrammed and which can be guided by an image-map correlation, has a sensor consisting of a FLIR [Forward Looking Infrared] camera with high resolution and an interchangeable optical system. Other sensors, such as IR line scanner, low-light-level-television, laser target illumination, and laser range finder are possibilities. A parachute and a cross-wind-proof airbag are used in landing.

Based largely on the same concept is the joint proposal by MBB and Matra, code named BREVEL (from the plant locations Bremen and Velizy. At present this project is separate from the KZO, but might serve as the basis for a proposal in case a German-French government MoU [Memorandum of Understanding] for a

KZO system becomes a reality. The other competitor, Dornier, submitted two proposals, first, a small target detection RPV based largely on the Lockheed AQUILA: (the federal purchasing office had expressed a desire for using existing hardware); and second, an RPV of its own design.

However, both proposals contain the AQUILA retireval system, as developed by Dornier for Lockheed and currently in production. The sensors of the second proposal (FLIR, low-light-level-television, etc.), data transmission and the ground station are designed by European firms, some by French ones, in view of the potential German-French joint venture.

General specifications for the KZO are: jam-proof data transmission, extremely accurate target detection, cost effectiveness and flight preprogramming capability (checkpoints, direction, altitude).

Another project, which however is still in the pre-development phase, is the the so-called army combat drone, also known as the anti-tank drone [Panzerabwehrdrohne, PAD]. The PAD concept is again strongly based on on the anti-radar drone, also called harassment drone or, based on a 1979 German-U.S. development agreement, LOCUST. Between 1977 and 1980, several models were tested for this purpose in Germany by Dornier, MBB and VFW. The intention was for LOCUST, after extended hovering at a certain altitude, to detect radars at radar installations or anti-aircraft tanks, approach them and destroy them with its warhead. In May 1981, the joint program was cancelled under the arms agreement due to lack of German financing, even though cooperation between Dornier and Texas Instruments, MBB and Teledyne Brown and VFW and General Dynamics had gotten off to a good start. Experience thus accumulated is now forming the basis for the PAD proposals by Dornier and MBB (VFW).

Dornier proposes a delta-wing machine with push propeller, to be launched by a rocket out of a canister. The wings do not fold.

The PAD from MBB-Bremen on the other hand strongly resembles TUCAN/KZO/BREVEL. Launch with folded wings and booster rocket also takes place out of a canister, 20 of which can be accommodated in a standard 20 foot container.

The requirement for the PAD, which must be inexpensive since it is expendable, is the launch of many drones within a short time, very long hovering capability in the target area far behind the forward edge of the battle area (FEBA), (thus having greater range than MARS with intelligent subammunition) and a rapid dive onto the spotted target. However, there is an aerodynamic contradiction between long hovering time and rapid diving capability in view of the wing design.

Targets can consist of tanks, artillery emplacements, helicopters, radar positions, etc. A variety of sensors would have to be considered for this purpose--infrared, active millimeter wave radar, radar search and acoustic search heads--and warheads (P and hollow charges, fragmentation). More details are needed also for the operational concept for the use of the

preprogrammed hovering flight, even distribution of PADs over the target area, etc. Inasmuch as much new territory is being entered here, operational use prior to the early 1990s would not seem possible.

There are plenty of ideas and concepts--we can only hope that the well-known bureaucratic obstacle course for developing military hardware, and the agreements necessary for international cooperation will not unduly delay development and thus make it more expensive. The international competition, from the United States to Israel, is not asleep--and as we well know, things move more quickly there once a requirement is found to exist.

9273

CSO: 3520/159

MILITARY PILOTS COMPLAIN OF LOW PAY

Athens TA NEA in Greek 24 Dec 83 p 4

[Text] For some time now, NEA has been receiving letters from Air Force pilots, which the newspaper does not publish because (for obvious reasons) they are anonymous.

However, from these letters, there emerge some logical arguments which we believe should be published and should draw the attention of the responsible officials.

The pilots write:

1. It is impossible for a family to live on a salary of 25,000 drachmas.
2. It is not right to deceive us for months now with the "threat" of a raise of 3,000 drachmas! (Which we have never received). This, because 3,000 drachmas do not constitute a raise.
3. It is not right for the pilots of Civil Aeronautics to receive enormous salaries and we, who risk our lives every day over the Aegean, merely receive crumbs.
4. It is not right that certain stubborn officials threaten us because we demand justice and a salary commensurate with our effort.
5. Our ridiculous salaries are of the sort that cannot be set right with a simple raise. They need readjustment.
6. Finally, we point out that we are not making any threats. Unfortunately, our national duty (of which we are deeply conscious) demands the patience and endurance of a Job. However, at the same time, we ask those responsible not to take as weakness our conscientiousness and dedication to the national obligation because then they not only do us an injustice, but to the entire nation. They not only underestimate our intelligence, but that of all the Greek people.

The arguments of the pilots, which we have presented, speak for themselves and it is not at all unreasonable that they demand the immediate intervention by the premier.

DEFENSE MINISTER INTERVIEWED ON MODERNIZATION, AID

Istanbul TERCUMAN in Turkish 24 Jan 84 pp I, 9

[Text] Defense Minister Zeki Yavuzturk announced that in conformity with the agreement reached previously between the United States and Turkey for the production of the F-16 bomber in Turkey, the activities for the joint production has been initiated. In answering TERCUMAN's questions, Yavuzturk stated that the external financing needed for the TUSAS [Turkish Aircraft Industry Corporation] aircraft plant under construction in Murter will be met by the partner corporation 'General Dynamics', and the internal financing needs will be met by Turkey's national resources.

Defense Minister Yavuzturk indicated that plans have been made to make the plant ready for production at the end of 1986 and added, "The project will be realized within 10 years and the first aircraft will be ready to fly at the end of 1987."

The Defense Minister also announced that an agreement will be made with the General Dynamics corporation to export aircraft parts manufactured at the aircraft plant, and said the following:

"The negotiations concerning the cooperation between Turkey and the United States for the joint production and provision of the F-16 tactical bombers in Turkey, that have been selected to modernize the Turkish Airforce and to develop the aircraft industry in the country, has been concluded at the end of the final negotiations between the Turkish and the American delegation in Ankara during the first week of December. As the outcome of these negotiations an agreement was signed on 9 December. The agreement for joint production contains a package of 160 F-16 aircraft. The total cost of the 10-year project is around \$4 billion. During this period of 10 years, Turkey will meet \$1 billion of this sum while the remaining \$3 billion will be covered through military loans and military aid from the United States. In addition to this, within the framework of an arrangement worked out with the corporation (General Dynamics), a direct and indirect offset agreement will be made for the export of Turkish goods of which marketing has not been developed yet, and for the export of aircraft parts; all totaling nearly \$1.5 billion. Thus the \$1 billion in foreign exchange needed for the production fund will be met this way."

Superior technology

Calling it to attention that a superior aircraft industry technology will be developed outside the United States and the European consortium for the first time in Turkey, the Defense Minister Yavuzturk said, "Thus the external dependence of the Turkish Airforce for maintenance, repair, and spare parts will be substantially reduced. Therefore, both the strengthening of the Turkish economy, as well as the modernization of our Airforce in accordance with the needs of the times will be assured."

Leopard tanks

As an answer to our question concerning the Leopard tanks Turkey has received from the Federal Republic of Germany, Defense Minister Yavuzturk said the following: "To increase the warfare capabilities of our land forces, Leopard tanks are being received from the Federal Republic of Germany, and the tanks in the inventory of our Army are being modernized. Until today, within the framework of special aid, a number of Leopard tanks have been received. The efforts are being continued to obtain the Leopard tanks that are needed for our Army."

Military Aid

As he gave information about the military aid Turkey is receiving from the United States and the Federal Republic of Germany, Yavuzturk said the following: "In order to complete the projects that have been planned to modernize our armed forces on time, military aid is being received from the United States and the Federal Republic of Germany, that are our allies in the NATO. For 1984, the amount of loans and aid, including the economic aid, that is received from the United States is little over \$850 million. The aid received from the Federal Republic of Germany is in form of 18 month installments, of which the 1984 portion is 86 million marks."

12531

CSO: 3554/140

COMMERCE MINISTER ON NEED FOR PROTECTIVE MEASURES

Athens OIKONOMIKOS TAKHYDROMOS in Greek No 1549, 12 Jan 84 pp 11-12

[Text] The subject of Greek imports from the EEC last week made the front pages of the newspapers. As it concerns a basic aspect--which, as a matter of fact, is not going well at all--of the balance of payments (and by extension, of the capability of domestic products to compete with those of the Community in the Greek market), the problem has taken on large dimensions.

In addition, a small delay by the Greek party to clarify its official position gave rise to conclusions that hint at maneuverings and probably at the postponement of the implementation of the rules which had been agreed upon with the EEC at the time of the signing of the joining agreement. (OIKONOMIKOS presents the subject in detail on another page of the current issue).

What has actually happened? Greece should have made clear two pending matters since 1 January 1984:

- a. What would it do with regard to the list of 14 products whose protection from competition with EEC products it had sought, a measure it had taken at the same time it devalued the drachma?
- b. If it were to allow Greece's obligation, which should have abolished the advance payment requirement for imports or of their immediate payment, to function automatically and thus fully free the imports from the EEC.

With the present postures of the minister of Commerce and National Economy, these pending matters have been eliminated. The first--which as Mr. Arsenis stated, was aimed not so much at lightening the balance of payments, but at strengthening some branches of Greek production--was met by the freeing of 11 items and with a request to extend, for at least the next 10 months, the protection of the other three items (ceramic tile, furniture and cigarettes).

In the second case, the solution chosen was the full compliance with EEC rules involving imports, which means that from now on it will be possible to make agreements for installment payments.

With regard to the request for an extension of the protection of the three categories of products, after the solution provided for in the second case and

and the small specific weight that they carry in the imports from the EEC, its acceptance is considered to be assured.

The continuation of such a regulation is politically more significant because it opens the door for Greece to use similar measures that are not generally favored by the EEC.

With regard to the matter of compliance with the import rule, what appears to have prevailed in the final decision was more the political significance of the free development of relations between the country and the EEC and less the belief that, in this transition period, Greek industry and agriculture have been strengthened and can meet the competition from Community products.

A series of arguments that mitigate the consequences of the measure make reference to the small possibility of an increase in the demand for certain items, i.e., meat, of the limited demand in the Greek economy in general, in the discouragement of speculation because of the movement of the parity of the drachma.

Contrary arguments, however, make reference to the advantages resulting from the compliance that will surely increase imports and, therefore, will adversely affect the balance of payments, the prices and the conditions of production.

In connection with the above-mentioned subject, OIKONOMIKOS has today published an interesting interview with the eminently qualified Minister of Commerce, Mr. Georgos Moraitis. Thus, the reader will have the direct possibility of following the thought processes which led to these measures and to make a judgment.

We also thought it advisable, given the opportunity of this interview, to expand the conversation with the minister on other matters under his responsibility, first of all, prices. We must admit that despite our imposition, Mr. Moraitis did not evade any of our questions, no matter how "troublesome" they may have been.

Question: Mr. Minister, what conclusion can we reach today after the experience of the imposition of quantitative restrictions for 14 items which we import from the EEC? In other words, how much did this help the protected areas and what are the consequences for the 1983 balance of payments?

Answer: The import restrictions of certain products in 1983 did not have foreign exchange aims; in other words, they did not seek to improve the foreign payments' balance, but sought the protection of certain areas in our industry and handicrafts. We can say that the specific areas were helped considerably; however, it is not possible to give specific quantitative data because the restrictive measures were in effect until 31 December 1983 and the data, which are of interest to us, are being collected and evaluated (increase in productivity, increase in employment, improvement of competitiveness, etc.).

Question: The restrictions imposed in 1983 were considered by many to be more of a "probing" of the EEC's attitude towards similar measures. Independently from that, however, how is the discussion, which developed between Greece and the EEC on the subjects of the protection of Greek products by similar measures, viewed today?

Answer: The evaluation of the relations of our country with the EEC has been made many times by the premier. Detailed data have also been given by the Foreign Affairs Ministry and the Ministry of National Economy, who are responsible for our relations with the EEC. In answer to your specific question, I would simply reply that I could repeat that the peculiarities of the Greek economy demand the imposition of protective measures and this need cannot but be recognized by the proper Community agencies.

Question: Mr. Minister, can you tell us why today only 3 of the 14 items were chosen? What is the specific reason that differentiate them?

Answer: We requested the extension of quantitative restrictions in the imports of furniture, sanitary items and cigarettes even during 1984 because we recognize that the reasons which made the restrictive measures necessary during 1983 continue to exist in 1984. As for the remaining items, it was judged that no extension of the quantitative restrictions in imports was necessary.

Question: What specific restrictions will be imposed and on the imports of which year are they going to be figured?

Answer: The restrictions will be quantitative. However, the basis for their calculation, their duration and the remaining details will be defined after the Commission's answer to our request on the matter.

Question: Many have confused the restrictive measures with our obligations to the EEC since 1 January 1984--Article 38. How is the present compliance, which, of course, facilitates imports from the EEC, expected to affect the balance of payments, domestic production as well as prices? Is the extent of the application of the rule broad?

Answer: According to Article 38 of the initial entry into the EEC (P.P.), beginning on 1 January 1984, payments in advance in currency and the payment in cash for the imports of products are abolished. This mandatory compliance will surely affect both the balance of payments and prices. It is, however, premature to make accurate forecasts.

However, the abolition of payments in advance in currency (the remaining 25 percent of the advance payments existing at the time of joining) and the mandatory payment in cash (it involves approximately 25 percent of the value of the imports) will facilitate imports. We are going to monitor continuously the effects of the increased imports on domestic production, the balance of payments and prices which can be reasonably expected so that, if needed, all the necessary steps to protect our economy can be taken.

Question: Mr. Minister, having the opportunity, we will ask you something about the main issue in your ministry: the price war. In 1983, as the government is finding out today, prices did not develop as positively as was possible, bearing in mind the income and foreign exchange policy that was followed. In other words, there were transgressions and violations; "in certain areas of production, we faced speculative trends at the price level" as Mr. Arsenis has clearly stated. Can you give us a clearer picture of these phenomena? Surely, you will agree that price policy is primarily an applied policy.

Answer: In economies with large structural problems such as the Greek's, the measures adopted on a long-term economic level are not sufficient by themselves to hold down prices. Interventions are necessary on a short-term economic level. During 1983, the overall economic policy and short-term interventions in areas and products, which were necessary or possible, resulted in holding down inflation at a level of approximately 20 percent. Of course, there were excesses and violations and we were faced, in many areas, with speculative trends. However one must be aware of this: the government is implementing a specific program to organize trade based on proper foundations, the organization of consumers and the creation of an effective administrative apparatus for monitoring the development of prices and the imposition of necessary sanctions. At the same time, however, it is trying to cope with the current problems in the market, even with incomplete administrative machinery and to restrict, if not to directly eliminate, the unacceptable phenomena of a submerged economy.

Certainly to cope with these problems and the combination of the short-term measures with the medium-term objectives is not an easy job. Despite all the difficulties, the results were not negligible. We must point out that our greatest effort was concentrated on foodstuffs and the results were, I believe, significant. In October 1981 (the last month of the ND's administration), the food index (housewife's basket) based on a 12-month figure, was 36.7 percent. In November 1983 (the last available statistical data), the food index, on a 12-month basis, was 16.7 percent! This alone allows the drawing of useful conclusions.

Question: Based on the experience of the past 2 years, what new measures should be expected in the area of monitoring and the control of prices for 1984? The aim for 1984 is to hold inflation at 18 percent or lower. In the meantime, are not the indexes of wholesale prices, especially of the Bank of Greece, which is 23 percent for the 11-month period of January through November 1983, going to show increases in 1984?

Answer: We will continue our efforts to control prices during 1984. The improved organization of services and the experience acquired, in combination with the new institutional framework which we have created, allow for greater optimism so that holding down inflation below 18 percent may be possible. We are surely going to be helped considerably in the monitoring and control of prices by the new consulting organ which is about to be created and which will be composed of workers-consumers and employers-producers.

Question: The holding down of prices in 1983 was mainly the result of lowering food prices. If this offers little margin for a third year, is it reasonable to expect that your efforts in 1984 will be directed mainly towards the two other basic areas (durable goods and services), and in what manner?

Answer: IN 1984, while we will continue to check the fixing of prices for foodstuffs, we will expand and create a system for the controls of other items (clothing, shoes, durable goods, services, etc.).

Question: With regard to the price list controls, in what direction are they going to be continued in 1984 and by what agencies? It is alleged, for example,

that the Council of Price Research [SET] has been deactivated. In addition, what could you answer to what you are being charged with, that you did not announce the price lists compiled from the above-mentioned controls? This has had as a consequence, as the interested areas maintain, that your price lists do not contain some elements of the real cost, which, many times, as a matter of fact, is the consequence of governmental measure (increases in price, devaluation of the drachma, etc.)?

Answer: The price-listing agencies of the Ministry of Commerce have now been strengthened considerably and function satisfactorily. The price list controls are mainly by areas in order to be more effective and useful. At the same time, however, the controls by business will continue when the manner for fixing prices for the products of a specific business must be investigated.

The SET has not been deactivated. The SET, however, does not control prices of products for domestic use, but the prices of imported or exported products and investigates the cases of over or under pricing them.

In the context of reforming the entire market inspection law, which we are pushing forward, regulations regarding price listing will be revised. The allegation, however, that the increase of raw materials and foreign exchange, etc., are not taken into consideration today has no foundation. It comes from certain enterprises or areas whose secret objective is the elimination of any form of price control for their products, but they mask it by complaining that certain cost elements are not taken into consideration.

I must remind you that with the publication of the price lists, the Tax Revenue Data Code forbids the publication of any data of the businesses being checked. The conclusions of price list audits are, of course, available to the public. It is on them, as a matter of fact, that the market inspection regulations issued each time are based.

9731

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KOLMER ANALYZES GOVERNMENT'S INFLATION NEMESIS

Athens MESIMVRINI in Greek 9 Jan 84 p 8

[Article by K. Kolmer "Inflation: The Big Problem..."; passages enclosed in slant-lines printed in boldface]

[Text]The PASOK's economic policy presents a paradox that casts doubt on the whole Keynesian theory: how is it possible that the government, with a public deficit of over 600 million drachmas for 1984 (around 19% of the gross national product) is unable to take the economy out of its stagnation? In other words, how is it possible that with an inflation of over 20% annually unemployment not only does not decrease but even goes beyond 10% of the active urban population. Something which contradicts even the famous Philipps curve.*

Those paradoxes, if they are indeed paradoxes rather than consequent events, might have been interpreted in many ways if the government were not so stuck on the Keynesian concept, namely that the crisis which has been plaguing the Greek economy for the past 3 years is allegedly the result of an insufficient total demand; and also if it did not attempt to stimulate at all costs the sluggish economy through artificial respiration ("ATES" [Higher Technical Training Schools], public "investments", nationalization and reorganization of heavily indebted enterprises).

But a reluctance to invest, unemployment and continuing inflation far from being a problem of insufficient demand are due to an increasingly inadequate system for evaluating the factors of production. The problem is not that domestic demand is insufficient but that the prices of some goods and the services of the labor force are so "expensive" and of such inferior quality that enterprises and, more generally, the people do not have sufficient means (income) to finance (buy) domestic products. In other words, domestic products are not marketable at today's prices.

The high cost of money, in the sense of high inflation, insufficient earnings, in the sense of fixed prices for most goods on the market, and the disproportion between work capacity and costs create such anomalies in the economy that, even after a 45% devaluation of the value of the drachma with respect to the dollar, exports of Greek products do not "move" on the international market while Greek products are displaced on the domestic market. Consequently, the problem is not one of "total" demand but one of lack of demand for Greek products.

The error in the Keynesian theory is attributed to its ignoring the necessity of decreasing the cost of any factor of production as a means of increasing total demand; while the error of our Socialist government is to confuse cutting down prices with cutting down income. In reality nothing excludes a decrease in the price of labor leading eventually to an increase in total labor income, precisely as a cut in income tax rates could increase public revenues.

The solution to the nation's economic problem does not lie with an infusion of more total demand into its body which, beside an instability in relative prices, also leads to serious disturbances in the fragile balance of payments, but rather with curbing inflation, stabilizing the value of currency and denying any kind of privilege to the labor classes which are organized into monopolies so as to boost the demand for domestic products both at home and abroad. And income could thus be raised.

Inflation

The **harshest** problem of Greece continues to be, however, the high rate of inflation which remains permanently above 20% annually and undermines every effort toward the recovery and the **development** of the Greek economy.

The Socialist government pretends that it has tamed inflation to a certain extent by lowering it from 25% during the "abhorrent" period (1974 to 1981) to 21% during the Socialist period (1982 to 1983). But beyond the fact that this is no real progress, quite the opposite since Greek inflation has accelerated in comparison to the other EC and OECD countries, various "outside" factors also contributed to such a decrease. The decrease in the price of oil and raw materials was one of the basic factors that checked prices even though their equivalence in drachmas rose significantly in the meantime. But the government chose to lay the burden of the overpricing of the dollar in 1983 on the budget rather than shift it to consumption. This enabled it to control artificially the readjustment of salaries in relation to the cost of living for the last quarter of 1983. Another factor was that by imposing retail prices various cost raising elements were prevented from rising higher than retail prices. Finally, in monetary matters, the extensive loans which financed the deficit in current dealings and reached \$2 billion in 1983, acted as an anti-inflationary influence, in the sense that it "exported" domestic inflationary pressures through equally artificial restrictions on the money supply.

But in 1984, far from being tamed, it bides its time to return even more severely in 1984 and 1985, especially if the future resembles the past and nothing leads to believe the opposite.

Before we go on to an analysis of the prospects of inflation in our country, it is perhaps necessary to recall some of its fundamental characteristics.

Economics and Politics

It is economists, and not politicians, who define inflation as "the persistent rapid increase in the general level of the price of goods and services which are consumed by the buying public." The key words, as is obvious, are

"the rapid increase" which always lends to inflation a relative character. Thus, if inflation in Greece is 25%, that is to say that it "gallops" at such a rate that the general level of prices doubles in Greece every 3 years while the EC has a 20% inflation so that prices there double every 4 years, we say then that while inflation in Greece is high, it is tolerable. But if Greece has a 20% inflation and the EC a 10% one, then inflation in Greece is intolerable because the general level of prices doubles every 4 years against every 8 years approximately in the EC.

Besides it is economists, not politicians, who look on inflation as a /monetary/ phenomenon, which means that the fundamental factor that influences future inflation is the past and present rate of increase of the money supply.

Those are internationally prevalent views, except for Greece of course, and they are based on empirical indexes collected in a variety of countries. Greek reality does not differ from those experiences, in view of the fact that in the past inflation in our country was always accompanied by a large overt or hidden increase of the money reserves. But no politician would be willing to admit this as it is not expedient, since restrictions on the money supply would be damaging to the government. Internationally, with a delay of no more than one year prices absorb the cost of what political power, or what amounts to the same thing, the money supply. In Greece 2 to 3 years are needed.

Excessive Money Supply

Experience shows that in Greece the average rate of increase of the money supply of the previous 3 years corresponds to the average inflation rate of the following year. Thus, for example, during the 3-year period from 1978 to 1980, the average rate of increase of the money supply was 23% and the average increase in prices for the next 3 years, from 1980 to 1982, was 22%

While this method of a monetary interpretation of inflation chiefly focuses on the money supply, it does not ignore the short term repercussions of non monetary factors; for instance, if freezing or fixing the prices of liquid fuels, electricity, fares, taxis etc. contributed to Mr. Arsenis' being able to show a contrived 20% inflation, this does not mean that the inflationary forces in the market were eliminated, they were simply temporarily prevented from showing their effect. After a period of, let us say, 2 years the delayed inflationary pressures will emerge and then the rate of price increases will follow again the rate of increase of the money supply, plus the percentage due to the delay.

During the next 3 year period, from 1981 to 1983, the average rate of increase of the money supply was 29%. So, for the following 3 year period, from 1983 to 1985, inflation should average 25%. And in view of the fact that inflation was pressured in 1983 by Mr. Arsenis' measures to remain at a 20% level, the pertinent question arises of how far will it rise in 1984 and 1985? We believe that it could be close to 27% annually unless another mechanism to conceal it is found.

Our claim is supported by 2 findings:

1. That wholesale prices (according to both the National Statistical Service and the Bank of Greece) rose faster in 1983 than in 1982 and consequently readjustment

trends must emerge as being higher in 1984 and 1985 for consumer prices in comparison to 1983.

2. The real equivalent value of the drachma abroad was 43 units with 1975=100 as the basic year, which means that between 1982 and 1983 it lost 9 units that did not show up in prices as yet. At the same time, its competitiveness fell from 120 units in 1982 to 113 units in 1983, a fact which has not become apparent yet in consumer prices.

Thus, no matter what the government says, no matter what figures Mr. Arsenis gives in the OOSA, inflation in 1984 will not only substantially exceed the 19% targeted by the government but even 20% and maybe even 25%, depending on how far the Socialist government will be compelled to free prices.

But there is also the possibility that the government might push prices below 18%. Will inflation thus be made to disappear? No, it will only be translated into unemployment, shortages of goods or stockpiling.

The only way to slow down inflation is to lower the /real/ rate of increase of the money supply below the current rate which is 5 to 6%. And how is this to be achieved? By a decrease in public deficits.

Yes, but how can public deficits be decreased? That is a question for which there is only one answer: "Decrease the state's jurisdiction and interference, Messrs. politicians, and then inflation can be effectively curbed." Never was the problem of inflation of such a political nature as it is now.

* According to the Philipps curve, a decrease in unemployment causes a short term acceleration of inflation. In Greece a rise in inflation leads to an increase in unemployment. We suspect that the case of Greece is worth generalizing.

12278

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KOLMER ASSESSES FOREIGN EXCHANGE POLICY

Athens MESIMVRINI in Greek 30 Dec 83 p 2

[Text] Yesterday, Minister of National Economy Ger. Arsenis once more stated "categorically that" in 1984 there will continue to be the same foreign exchange policy" as the one during the last four months of 1983 when the drachma was freed from its bonds to the strongest currency in the world, the dollar, to which it had been bound like a modern-day Prometheus on the Caucasus, not by Jupiter Pluvius, but by the "Tsar" of the Greek economy.

Mr. Arsenis, answering clearly a question from a foreign correspondent, stated that "a new devaluation (of the drachma) of the kind of the single devaluation of 9 January 1983" when, as is known, the national currency was devalued by 15.5 percent is not about to occur. "The step," Mr. Arsenis stated, "was deemed necessary at the time to promote the restoration of competitiveness of the Greek products."

"The void (of competitiveness) has now been filled," Mr. Arsenis concluded. "The foreign exchange we are following maintains parity when compared to a group of currencies in order to ensure the competitiveness and to minimize the consequences on the import inflation."

It would be a wish come true if things developed that way. The competitiveness of Greek products abroad is continuously falling, not only because of the rise in domestic costs thanks to ATA [Automatic Cost of Living Readjustment] and rising prices of raw materials in drachmas, but also because of the shrinking productivity in Greek manufacturing, and because of troubled disciplinary conditions in the work places. As a matter of fact, domestic products are displaced in the local market because of one more reason: the valuation upward of the drachma as compared to the currencies of our principal partners in the EEC from which we now import cheaper foodstuffs.

Now, as to the "imported inflation," it would be a lyrical hyperbole of the type of Greek poets, theologians, etc., word coiners, who unfortunately administered the Greek economy in the past, if it did not hide the usual trickery of blaming the foreigners for the ills that we ourselves create in the economy. On this particular subject, we artificially raise income at home, we burden the domestic cost, we confirm the inflationary pressures with an equal increase in money supply and we aid the excessive increase of total demand with extravagant

loans abroad. Then, we talk about "imported inflation" with the same ease with which Ptolemy maintained that the earth could not be other than flat.

Now, since the beginning of last August, the drachma has lost approximately 17 percent of its value with respect to the American currency and some units of percentage with respect to a group of other currencies. When, however, the broker who most recently opens a financial newspaper and discovers that the term rate of the drachma (charged today by the Bank of Greece) is at 104 drachmas per dollar, that is, it has been devalued 3 percent, what other conclusion can he reach except that the drachma today is "cheaper" than it will be in the future. He then rushes to import all he can or to charge what the market will bear.

The financially-thinking people are indifferent to the assurances of Mr. Arsenis. Moreover, he has told us so many things in the past and has woefully been proven wrong. If he continues to insist that the drachma, because it is not devalued "singly," remains stable, he does nothing more than remind one of that bishop from Kefallinia, who baptizing seven pigs' feet into a "fasting food," "octopus," was religiously observing Lent.

9731

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INTERVIEW WITH FORMER LABOR CONFEDERATION LEADER

Athens I AVGI in Greek 1 Jan 84 p 5

[Interview with Orestis Khatzivasiliou by Maria Konstantopoulou on the occasion of the end of 1983; date and place not specified]

[Text] 1983, the year of harsh austerity as it has been called, ended yesterday. In its course, the government made an appeal to the workers and they were finally the ones to bear the heavy consequences of the economic crisis. Whereas the government had promised to fulfill by the end of 1983 their institutional petitions, for that reason calling the past year "the year of institutional changes." Our correspondent Maria Konstantopoulou asked the veteran trade unionist and former president of the GSEE [Greek General Confederation of Labor] Orestis Khatzivasiliou to talk about those matters.

The questions we put to him were:

"At the beginning of 1983 the government made an appeal to the workers and their trade union leaders agreed to limit their financial demands and to even accept a cutback in their salaries. They were told that in this way they would contribute to the effort toward the recovery of the economy. How far did those sacrifices help?"

"About 12 days ago the Minister of the National Economy announced that on 31.12.83 article 27 of law No 1320/83, which banned collective bargaining, will no longer be in force. What does this mean precisely?"

"1983 was called 'the year of institutional changes'. Did changes of a nature to justify such an appellation really take place?"

"What happened to the 2 chief aims: the solution of the acute unemployment problem, and worker participation in decision-making centers?"

Answers:

From an evaluation of all the questions you have asked me it is not hard to infer that our discussion today will deal exclusively with the economic and income policy followed by the government in 1983.

My answers will be objective and complete and will bear as usual the stamp of judgements free from party and faction biases.

It is well known that in the last 10 days of January of 1983 the government, without any warning and without consulting with the then leaders of the GSEE first, passed in Parliament article 27 of law 1320, which banned bargaining through collective agreements. Such a legal provision was unprecedented in the annals of trade unionism and that is why saying that "the government made an appeal to the workers and their trade union leaders agreed" is not true.

In plain words, the government imposed by law its own economic policy and the then leaders of the GSEE and I personally rejected this income policy of the government. There were immediate reactions from the GSEE, the Panhellenic Confederation of All the Trade Unions and Workers Centers: the proclamation of the 4-hour Panhellenic strike and the legal interventions of the GSEE in the lawsuits initiated by employers and these were followed by numerous court rulings which characterized the law as anticonstitutional.

The Greek economy, with its many structural weaknesses, with the mistakes the government made in its judgements during the past year, with rising unemployment and with an inflation that refuses to fall below 20%, surely needs a series of economic measures in order to make a recovery. But, just as I had pointed out at the time in a dramatic meeting I had with the President of the Republic, "we all understand that our economy is going through difficult times. But why do we always ask for sacrifices from the workers only, instead of asking all social classes to contribute, each according to their income, in this critical period our nation traversing?"

This much for history and reliable information.

With regard to your next question, as to whether the "freezing" of salaries and the time lag in the ATA [Automatic Cost of Living Readjustment] brought about any results. Already the Minister of the National Economy, Mr. Arsenis, with the political daring which characterizes him, admitted that by his own estimations the income of workers had decreased by up to 5% in 1983 and that the economy had been stabilized with hopeful prospects for its future recovery.

There is no doubt that the income policy the government announced for 1984 is more positive and tolerable for the workers. But under no circumstances does it make up for the loss of worker income and the indemnities the government had promised should be given to those who are entitled to them. Now as to whether the sacrifice of worker income imposed by the government has brought about any results: the steadily increasing number of the unemployed, now over 300,000, the high rate of inflation and the exorbitant and uncontrolled increase in the prices of basic foodstuffs bear witness against this.

Now for your next question:

We have now a milder and more "diplomatic" version of article 27. Because either collective bargaining is truly free and works without compulsory arbitration and commitments or we have a work tariff which emerges from the procedures of the anti-worker law 3239/55 and the "stern" declarations of the Minister of the National Economy.

If by the expression "institutional changes" you mean the nationalization of public enterprises and setting up supervisory councils in some branches of production, then the answer is yes, but with the indispensable addendum and proviso that this will depend on how decisive the presence of worker representatives is there and to what extent they will influence the decisions of the Supervisory Councils and Administrative Councils of the already nationalized enterprises both in the public and the private sector.

But beside those measures, the government has also promised and undertaken the obligation to resolve 21 institutional petitions of the working class. Only 5 of those have been resolved and the others are still pending while 1983 is already over. And so, from that standpoint, in the past year no complete solution to the workers' institutional problems has been found.

Regarding the burning problem of unemployment, despite the sincere intentions of the government and the partial measures that were taken (OAED [Labor Force Employment Organization], establishing new production units etc.) unemployment is knocking at the door of almost every profession and particularly hurts the young and men of learning who, with their degrees in hand, go around in search of a job even as unskilled employees.

The private sector's abstention from new investments, the stagnation of the economy and the lack of competitiveness of our industrial products lead to pessimistic forecasts about the future regarding a decrease in unemployment. The government has a moral social obligation to deal directly with the whole problem of unemployment, by making investments in the public sector, by rekindling the building sector, and finally by creating new positions by means of attacking essentially double employment and secondary occupations, the decrease of working hours and the lowering of the retirement age limit in the private sector.

And let us conclude this farewell interview to 1983 with my evaluation of the so well publicized theory of labor participation in decision-making centers, in shaping both the economy and the income policy of the government.

This is precisely what is happening today: the government takes the decisions and announces them to the main trade union organizations. The "dialogue" which follows is not essentially a dialogue but a dialogue of "objections" concerning decisions taken in the absence of labor. And sometimes changes of a merely corrective nature are made. Worker participation in public affairs means that their representatives will take part in the deliberations at every stage and level, will be in touch with and know all about the dimensions of our economy, of industrial production and of the economy not being dependent on the outside and finally that, with courage and trade union daring, they will also take the responsibility for the decisions that are made.

Because otherwise the Socialist change will not take place for a long time to come as long as the tax load is not shifted from the financially stronger social classes and the workers continue to be merely a token presence in the Administrative and Supervisory Councils simply allowed to ratify the decisions of the government, without essentially participating in those so as to shoulder also their own responsibilities.

PURCHASE OF USSR OIL, TRADE DELEGATION

Athens I KATHIMERINI in Greek 26 Jan 84 p 9

[Text] An increase in the export of Greek products and new conversations on the subject, under discussion since 1982, about building an aluminum plant in Greece in exchange for the supply of 1.8 million tons of petroleum from Russia are the main results of the 3-day talks, which the Greek delegation, headed by alternate minister of National Economy, Mr. K. Vaitsos, had in Moscow.

The talks took place in the context of the long-term agreement of cooperation between the two countries, signed by Premiers Papandreou and Tikhonov, with the view of developing Greek-Soviet trade with simultaneous improvement in its structure, a fact that means increased exports of Greek industrial products and the greater presence and contacts of Greek firms and agencies in the USSR.

In essence, it was agreed during the Greek-Soviet talks that:

1. A 60 percent increase during 1984, as compared to 1983, in Greek exports of textiles, thread and cotton and 10 percent in the exports of agricultural products (citrus, raisins, tobacco, etc.).
2. On Monday, the 31st of the current month, there will begin in Moscow a new round of talks to set the price at which the Russians will purchase 400,000 tons of aluminum from the plant to be constructed in Greece. In the contacts Mr. Vaitsos had with the Soviet minister of Foreign Commerce, Mr. Komarov, there was a significant convergence of views, while the policy for the construction of the plant was defined for both the Greek and Soviet sides. The new round of talks will be the determining factor for the final agreement.
3. An agreement was reached for the supply of 1.8 million tons of Soviet petroleum in 1984, 50 percent of which will be transported by Greek ships.
4. Mr. Vaitsos discussed with the Soviet minister of Tourism, Mr. Abrasimov, the subject of building and renovating Soviet hotels by Greek technical firms.

Mr. Vaitsos will depart today for Brussels to participate in the EEC Council of Ministers on Steel Matters.

In Moscow, Greek agency representatives will continue talks on the subject of exports of steel products to the USSR, the repair of Soviet ships in Greece, etc.

INTERVIEW WITH OFFICIAL IN CHARGE OF EEC AFFAIRS

Athens OIKONOMIKOS TAKHYDROMOS in Greek No 1543 1 Dec 83 pp 15-16

[Text] Deputy Minister of Foreign Affairs Responsible for EEC Matters Gr. Varfis answered timely questions by OIKONOMIKOS regarding the experience of the Greek chairmanship, the European Council that will take place in Athens in a few days, the effort of a "new beginning" by the Community, the prospects in store for Greece-EEC relations. The answers are of special interest in view of the Athens conference and because the deputy minister of Foreign Affairs is considered by many to be a person with the greatest experience and knowledge in Community matters and Greece-EEC relations in our country.

Question: On the eve of the European Council you are a person with great experience on matters of the Community and knowledge of the chairmanship. How do you assess the role of chairmanship? What powers or margin for maneuverings does the office allow?

Answer: The chairmanship has a strong and effective Community apparatus at its disposal. If the chairmanship directs this apparatus instead of following it, then it places its seal, good or bad, on the 6-month period. The matter, of course, is delicate because it cannot ignore the positions of the others. A chairmanship must express all sides and to take initiatives--after having weighed which and when--which promote Community matters. On the other hand, in this context it undoubtedly pushes forth the country's interests as well.

In the case of our chairmanship, the margins for initiatives and maneuverings are greater than those we usually have because we are charged with a special mission of preparations for the Athens conference based on extraordinary proceedings for the solution of serious Community problems. As a new development, this gives the chairmanship greater freedom of movement and choice.

Question: The European Council at Stuttgart defined the basic problems which the Community faces and, as you said, it established extraordinary proceedings to seek solutions. Would you mind defining the uniqueness of the Greek chairmanship? Is there some historical precedent to which you believe it opportune to refer?

Answer: One can find other times when the chairmanship had to provide solutions for serious Community problems and to cope with crises. I believe, however, that in the past 10 years it has not again happened that:

First: For special extraordinary proceedings to be established to cope with the problems;

Second: The problems are the consequence of a really very serious crisis in the Community that leaves no margins for "patching up" and postponement. This time the knife has reached the bone for very specific reasons. For the first time, the Community is in danger of stopping payments because it has exhausted its funds. It has taken a decision in principle to expand and is delaying its implementation for 5 years. We are on the eve of European elections with an electorate, to say the least, indifferent to the Community. In short, there is consciousness that it is urgent to solve these problems in order for the Community to avoid an even more serious crisis that may threaten its very existence.

Question: Chronologically speaking, we are close to the completion of the Stuttgart proceedings. In your opinion, was there any significant progress in the search for solutions to the basic Community problems?

Answer: There has been progress in the technical preparation of the issues. The technical clarification is an indispensable premise in order to make political decisions with the full knowledge of their consequences. Beyond this, one can say that certain issues are ripe for political solutions, but nothing has been definitely agreed upon yet. We expected this because an agreement on any one point is very difficult in a global negotiation which has "package" characteristics. When there is interdependence between issues, when one country is more interested in one specific issue, while another is in a different one, it is impossible to solve one first and then the other. The balance will be found during the summit conference on the 4, 5 and even 6 December.

Consequently, we can say that we have defined the problems; we have pinpointed them. On the other hand, at the summit conference, there will be clear proposals to make the choices there.

The Big Problems

Question: Which are the basic problems that must be faced and what progress has been made in defining them?

Answer: In agriculture, the problem is the rational use of revenues, more specifically for certain products such as milk and cereals where there are great flexibility advantages. The proposals for coping with these problems are very definite.

On the problem of merging the economies of the member countries, in other words, of restricting the irregularities between them, it is proposed to create a regulating and localized policy of the Community based on increased revenues and specific programs. More specifically, it is proposed to implement approved Mediterranean programs for the development of the southern regions of the Community. For Greece, on the other hand, it constitutes an answer to its memorandum and foresees special handling and regulations.

In essence, it is proposed to develop new policies, especially in the areas of technology, research, innovation, environment, etc. In many areas the preliminary work has almost been completed and there remains the political decision for the implementation of the new policies. These are the element which will give the Community the new beginning that will change its character.

Finally, we have the issue of the correction of the irregularities in the budget, what we call the British issue. It is accepted that there is indeed some irregularity. The United Kingdom, with a per capita income smaller than the average in the Community, has relatively small profits from the budget of the Community. This is something that is even contrary to the principle of the merging of the economies.

These are the basic problems, which, once solved will then allow the decision to be made to expand and increase the special revenues, which, in the opinion of the Greek chairmanship, must be significant.

Question: Can you briefly set forth the reasons that call for a significant increase in the special revenues? It is known that reservations have been expressed about the proposal by the Greek chairmanship.

Answer: At the previous summit conference, the Stuttgart conference, it was recognized that specific action must be taken in order to meet the tremendous socio-economic challenges that the Community is facing today. How are these bold measures going to be taken, though? How is Europe going to extricate itself from the present crisis? How is the research going to be made? How are the new policies going to be developed without a significant increase in revenues?

The present economic crisis also has a social extension which is expressed in the great number of jobless. The chairmanship considers the solution of unemployment to be of primary importance. It is difficult for one to forecast how long the crisis is going to last and whether the small upturn that is shown today will continue and establish itself. What is certain, however, is that no matter how great the upturn, there is the problem of unemployment, which can remain at very high levels. This is the consequence of, among other things, the technological developments of our times.

The technological revolution, however, constitutes the second great challenge for Europe. How, in other words, is it going to fill the gap in technology that separates it from the USA and Japan? The key to the answer is to be found in the new policies for research and technology.

Finally, there is another challenge which is not mentioned very often, but which I consider very significant. How is Europe going to find, in the midst of all its contradictions, its cohesion and identity? Let us not forget that the six countries which first made up the European Economic Community were homogeneous in every aspect: the degree of economic development, the type of economic development, and the political ideological position of their governments.

We now have northern and southern countries, conservative and socialist governments, countries which are more developed and less developed. It is possible for all of this to work together in a constructive way in a Community that has the indispensable energy to advance, acquiring its own identity among the two superpowers and contributing to the harmonious development of its members. The Greek chairmanship places great importance on this challenge, which surely cannot be met without significant new revenues.

It was decided in Stuttgart to give Europe a new beginning, but, as the announcement on the subject says, within the margins of the financing possibilities. What are the margins of the possibilities, though? It is not a matter of a national budget where you can say that you can limit expenditures somewhere. It is a matter of a tremendous qualitative leap. You are going to build Europe. To say then that from national revenues you do not increase the taxpayers' contributions allocated to Europe means that, in essence, you refuse Europe, especially because the cost that assures the necessary dynamism for it is relatively very small. Many times though it is not a matter of taxing the taxpayers, but of moving the taxes from the national to the Community level. The coordinated efforts can yield something more or better than the simple sum total in areas such as technology and research. Even the merging of the economies helps in the middle-term not only the less developed countries, but also the richer ones.

What the Greek chairmanship proposes is to increase the percentage of excise tax (FPA) that goes into the special revenues to 1.8 percent for a 10-year period. This means that in 1990 we will have in the budget about 8 billion European accounting units more than we have today. The entire Community budget, from 0.8 percent of the total AEP (Gross National Product), by 1990 will have reached 1 or 1.2 percent.

Therefore, among the intentions and proclamations for a great Europe and the funds we make available, there is an imbalance, which as chairman, we point out.

Greece-EEC

Question: Was the Greek public administration, which is not known for its efficiency, able to respond to the demands of the chairmanship? What specific deficiencies came to light and must be taken into consideration in order for us to have a better representation in Community affairs?

Answer: It is not so much a question of administration. Our problem was to choose 100 individuals and to give them freedom to act. Persons with the proper expertise, with sharp minds who knew a foreign language well. Luckily, in our country there are many more than 100 and the choice was made on merit. Our ministry assembled a special agency in order to bring organizational and technical success to the chairmanship. I must say that its mission was successful.

In the area of our representation in the Community, the deficiencies did not appear in the chairmanship. We had deficiencies prior to assuming the chairmanship and with the experience we have acquired, they will be lessened in the future. This phenomenon is common to all countries that have been members for only a few years.

What we sought, as Vice Ministry of Foreign Affairs, was to help in mobilizing all the interested ministries or other agencies. We do not try to concentrate power in our hands, but, on the contrary, try to convince others that they shape and define their positions according to their responsibilities. We try to help them, when they ask us to do so, in order to point out the data they must take into consideration to define their positions. We simply act as spokesmen for these positions and we negotiate them when this falls under our jurisdiction. I believe that the system was understood in most instances.

Question: How far were the issues of the Greek memorandum pushed during the tenure of the Greek chairmanship? Did the obligations of the chairmanship perhaps stand in the way of an effective claim of the demands contained in the memorandum?

Answer: The Greek memorandum, after the reply of the Commission, followed a course almost uninfluenced by the Greek chairmanship. The course was that of the technical elaboration of the measures that had been proposed by the Commission. This was done routinely. In any event--as provided for by the Stuttgart resolution--the first political evaluation will take place during the Athens conference involving what was accomplished and what still remains to be done. I believe that there are certain positive results; however, there are also certain delays.

What is significant is that the special mission of our chairmanship, what I mentioned previously, significantly influences the memorandum in an indirect way. The fate of the demands will be different if there is a crisis in Europe and different again if the Community changes and follows a course so that whatever we may obtain by the memorandum may be realized in a broader, favorable framework.

Question: In just a short time the Greek chairmanship will be a thing of the past. Are the uncertainties and suspense in the Greece-EEC relations again going to be in the limelight? How does their future appear? On what factors does it depend?

Answer: The future depends both on the Greek memorandum and, as I have said, in the changes in Europe. It is difficult for one to predict, today, whether there will be a new beginning. On the other hand, it is not wise to make a prediction a week before the Athens conference. What I wish to point out is that, depending on the results, we will either struggle within the framework of new decisions, which may satisfy us as a whole, but a hard struggle will be necessary for them to be accomplished, or it will be necessary to continue the fight to change, as soon as possible, an unfavorable situation that does not permit the smooth development of our economy within the framework of the Community.

9731

CSO: 3521/155

BUDGET FOR 1984 NOME PROGRAMS

Athens ELEVTHEROTYPIA in Greek 29 Dec 83 p 13

[Text] The money allocated by the Public Investment Program (PDE) for the 1984 Nome programs amounts to 43.5 billion drachmas. This sum, which constitutes approximately 21 percent of the PDE, was increased by 29 percent as compared to 1983 when 35.7 billion drachmas were allocated initially, and by 150 percent as compared to 1982 when 18.4 billion drachmas were allocated.

The allocation of 43.5 billion drachmas to the Nomes of the country was announced yesterday by Deputy Minister of National Economy And. Georgiadis, who pointed out that the Nome Programs of Public Investments constitute an inseparable part of the national PDE which is part of the 1983-1987, 5-year Government Plan for Social and Economic Development

Mr. Georgiadis stated that, for the realization of the economic development goal, emphasis will be placed on completing substantial works of local and national interest which will effectively contribute to increasing productivity and competitiveness of the Greek economy and, at the same time, increase the proper exploitation of money-generating sources in each area. To cope with the economic recession, he added, a special effort will be made to bring about the greatest possible contribution of the PDE in the creation of new jobs and the use of domestic raw materials and energy sources in order to resolve successfully the problem of unemployment and the balance of payments of the country.

6.02 billion drachmas were allocated to eastern continental Greece and the islands. By Nome: Attiki, 800 million drachmas; Voiotia, 920 million drachmas; Evrytania, 700 million drachmas; Kyklades, 1.1 billion drachmas; Fthiotis, 830 million drachmas; Fokis, 550 million drachmas.

7.26 billion drachmas are allocated to central and western Makedonia. By Nome: Imathia, 730 million drachmas; Salonica, 1.15 billion drachmas; Kastoria, 450 million drachmas; Kilkis, 700 million drachmas; Kozani, 780 million drachmas; Pella, 800 million drachmas; Pieria, 800 million drachmas; Florina, 540 million drachmas; Khalkidiki, 700 million drachmas; Grevena, 610 million drachmas.

Peloponnisos and western continental Greece were allocated 9.16 billion drachmas. By Nome: Aitolokarnania, 1.45 billion drachmas; Argolis, 750 million; Arkadia, 920 million; Akhaia, 1.15 billion drachmas; Zakynthos, 470 million; Ileias,

900 million drachmas; Kefallinia, 680 million; Korinthia, 870 million; Lakonia, 920 million and Messinia, 1,05 billion drachmas.

Thessalia was allocated 3.88 billion drachmas. By Nome: Karditsa, 950 million; Larisa, 1.23 billion drachmas; Magnisia, 800 million and Trikala, 900 million.

Eastern Makedonia was allocated 2.76 billion drachmas. By Nome: Drama, 760 million; Kavala, 950 million; Serrai, 1.05 billion drachmas.

Crete was allocated 4.19 billion drachmas. By Nome: Irakleion, 1.25 billion drachmas; Lasithion, 890 million; Rethymni, 900 million; Khandia, 1.15 billion drachmas.

9731

CSO: 3521/153

ULAGAY ON IMPACT OF HIGHER INTEREST RATES

Istanbul CUMHURİYET in Turkish 6 Feb 84 p 9

[Article by Osman Ulagay in the column "Notes on the Economy": "For Whom Will The Sun of High Interest Rise?"]

[Text] In the course of his television talk this week Premier Ozal repeatedly promised interest based on inflation and he told those who had no money that could bring them interest that since higher rates of interest would lower inflation, they too would benefit from the higher interest rates. And the day before a resolution that lowered from 20 to 10% the tax withheld from interest income was passed, thus creating in theory the possibility of securing a net income of up to 52% annually from 3-month fixed deposits by renewing them every 3 months. In view of these developments it would not be surprising if those who claim that social justice in Turkey will be achieved through high rates of interest take up their pens.

It is a fact that since 1980 an "interest phenomenon" has emerged in Turkey and that millions of people have a stake in interest rates. And it is also well known that those who have 300,000 to 500,000 Turkish liras in hand opt at first for the so called brokers who offer a net interest of 10 to 12%, then tend to settle for the more popular brokers who offer 5 to 8%, while those who have larger savings prefer banks that offer lower interest rates and thus a monthly interest has come to be an additional source of income for middle class families.

While all this is true, it changes nothing as to the fact that those truths in Turkey mean that a small minority with big money, that a restricted group of "big fundholders" gobble up the source of high interest rates. As a result, a high interest rate policy does not transfer income, as some claim, from big capital to the people but from one kind of capital to another kind of capital.

There is no point in trying to prove our assertion by looking at the figures the Union of Banks publishes at the end of every year because in its classification of deposit accounts the Union of Banks sets its upper limit at 100,000 Turkish liras and it can be readily seen that, according to this kind of classification, at the end of last year there were close to 1,8 million people who had deposit accounts of 100,000 Turkish liras or more. At a time when the dollar is worth over 300 Turkish liras, the meaning of a 100,000 Turkish lira deposit account is clear.

Whereas from the research we carried out on the basis of the figures we obtained from 2 of the largest banks regarding deposit accounts, a far more comprehensive picture emerges and helps to prove our claim that a small minority swallows up the source of high interest rates.

The similarity between the figures derived from the data we collected from 2 of the largest banks, which have branches in almost every part of Turkey and garner an important share of deposit accounts, leads to the conviction that the distribution of deposit accounts in those banks could also be valid for the entire banking system at large. While in one of the 2 foregoing banks close to 0.5% of fixed deposit account owners hold in their hands 13 to 14% of all the fixed deposit accounts, the first 15% of fixed deposit account owners appear to own half of all the fixed deposit accounts. And in the other big bank 2.5% of the fixed deposit account owners control 40% of the fixed deposit accounts. While the number of fixed deposit account owners in the above mentioned banks exceeds 500,000, those who skim the cream off the top of high interest rates are certainly fewer than 15,000.

A joint evaluation of the data provided by both banks brings out the fact that the small number of large account owners who hold 1% of the fixed deposit accounts get their hands on 25% of the interest rates paid to fixed deposit account owners. Starting from those data, one reaches the conclusion that in Turkey around 50,000 out of a total of 5 million people who own fixed deposit accounts lay their hands on 150 to 180 billions [sic] of the fixed deposit account interests which reach 600 to 700 million [sic] Turkish liras annually.

In the light of those figures, we believe that it might be useful to review judgements about the connection between interest rates and social justice and to ponder once more for whom the sun of high interest rates is rising. As long as the tax load of the salaried does not fall below 30%, there is no doubt that considering the big fundholders pay only 10% in taxes for the millions and perhaps the billions of income they secure from interest, this raises the subject a separate debate.

12278

CSO: 3554/147

SURVEY OF JOINT TURKISH-LIBYAN ECONOMIC PROJECTS

Istanbul MILLIYET in Turkish 17 Jan 84 p 4

/Text/ Libya will reportedly be establishing a holding company in Turkey with a capital base of \$500 million (156 billion T.L.). The company, which will produce various consumer goods, is to be open to all Islamic countries and efforts along these lines are nearing a conclusion.

Speaking at a meeting arranged by the Turkish-Libyan Friendship Society, Muhammad Sarsari, who is responsible for Economic Affairs at the Libyan People's Bureau in Ankara, stated that the new holding company would be the biggest partnership ever in the field of cooperation, that preparatory work was about to be completed, and that the necessary announcement would be made within the coming month.

Sarsari went on to say that there have been no setbacks in Turkish-Libyan relations, emphasizing that the volume of business for Turkish contractors in Libya has reached the \$9 billion mark.

In this connection, Ozer Olcmen, Chairman of the Association of Turkish Contractors in Libya, commented how Libya was a 'school' for Turkish contractors. Recalling that the overall volume of business for Turkish contractors in the Middle East has reached \$16 billion and \$9 billion of this was with Libya, he proceeded to make a request on behalf of the 100 thousand Turkish workers in Libya. He explained that Turkish workers were suffering losses as a result of the third oil shockwave that has hit Libya, and that one-time measures needed to be taken. Pointing out how Turkish workers have been forbidden to transfer overtime remittances to Turkey since the beginning of 1983, Olcmen remarked: "Overtime represents one-third of the remittances workers transferred to Turkey. Transfer rights have been reduced from 90 percent to 75 percent, and they are being cut to 50 percent in the case of married couples. Workers have not been able to send 40 percent of their earnings back to Turkey. Libya needs

to make an exception in this case to keep our workers from being wronged."

Noting that there are two major projects being carried out by Turkey and Libya, Olcmen stressed that Turkish contracting firms were prepared to participate in the huge 'Sinai Canal Project' for which South Korea won the bid. He said that Turkish workers and technicians were also prepared to work on the project. In pointing out that Turkish contractors have been in contact with South Korea relative to this, Olcmen emphasized that Libya should give them a helping hand in this regard.

Olcmen continued by saying that Turkish contractors were prepared to do everything possible to rescue Libya from its third oil crisis. Recalling how Turkish petroleum organizations had presented a report on closing the oil deficit after U.S. oil companies pulled out of Libya, Olcmen said: "Besides this, we could also meet your need for technical personnel in oil production. Turkish entrepreneurs could assume a complementary role with regard to ensuring your current production of one million barrels per day and increasing that figure."

12279

CSO: 3554/129

BARLAS ON POLITICAL APPROACHES TO ECONOMIC POLICY

Istanbul MILLIYET in Turkish 17 Jan 84 p 1

[Article by Mehmet Barlas: "The Left and Right Models"]

[Text] Turkey does not have a wide range of economic policy options from which to choose. It can opt for a socialist model committed to a central plan provided that the model safeguards freedom and democracy. Or, it can choose a model that is again based on planning, but with emphasis on a market economy.

For a planned democratic socialist model to succeed, the Turkish people would have to work very hard and consume very little for a minimum of five years. All production and domestic savings would have to be channeled into investments. Imports would have to be limited strictly to investment capital, fuel and agricultural input. All income from abroad and foreign exchange would have to be spent strictly on substructure investments.

This is one option... However, if people work harder and production fails to increase, domestic savings fail to build up, and investments fail to be completed within the specified time, then inflation will begin in the democratic socialist model and lines will start forming.

The Ozal regime is using a plan-type model, but with emphasis on a market economy.

In the Ozal model, people are again expected to produce and economize. However, they are not required by force of law to cut back on consumption and make economic sacrifices. Finding costs, interest rates and money high, they will make the sacrifices of their own accord. The shortage of investment funds, which will take longer to accumulate than in the socialist model, will be met through outside loans, foreign capital and promotion of exports. The Ozal model will move in the direction of planned --but not compulsory-- economic 'growth' as soon as inflation is checked and the shortage of resources remedied.

Both the socialist model and the Ozal model can only be as successful as people work to make them be.

In the socialist model, success means building Turkey's sub-structure and spreading social justice. The fruits of sacrifice and diligence lie in society's reaching new levels of achievement.

In the Ozal model, success means that people can consume more and that broader sectors can enter the consumer circle. If this is achieved, it means that dams and highways are being built too.

Both models have their own merits, but the logic and worth of one of them is beyond criticism.

The important thing is that people be given all of the necessary details on both models. The model that is opposed to outside loans and foreign capital must be able to tell the citizen that 'private automobiles and trips abroad are luxuries' because the domestic resources of our country do not suffice to cover both investments and consumer goods at the same time.

And, no one can accuse the planned socialist model of being communistic as long as the multi-party system and the right to free elections is safeguarded.

...Because economic democracy has a right and left wing too.

12279
CSO: 3554/129

DOGAN TAKES DIM VIEW OF ECONOMIC REFORM SUCCESS

Istanbul CUMHURIYET in Turkish 24 Jan 84 p 9

[Article by Yalcin Dogan in the column "Comments": "Who Said That in 4 to 5 Years We Would Be Into The Clear?..."]

[Text] Today is 24 January 1984. The 4th year after the "24 January Resolutions" were passed in order to overcome the saturation of the economic system.

What was it that was said on the day the resolutions were published? "Our people are self-sacrificing, they know how to grit their teeth, those resolutions will bring the nation into the clear in 4 to 5 years." Who knows how many times it has been reiterated that the economy would be brought into the clear "in 4 to 5 years?..." Well, those 4 years are over today. What happened? Did the number of the unemployed decrease? Is there an increase in investments? Did the level of the people's income and their standard of living rise to a higher level? Did the value of the Turkish lira achieve a balance on the market?..

None of this happened. 24 January resulted in a failure. The most convincing proof of this failure is that Turgut Ozal, the architect of those resolutions, consistently criticized in the same words before the 6 November elections "the economy's faults," put his finger on the same ailments.

24 January is a surgical operation. At the point where capitalism in Turkey became glutted, it was the economic system's attempt to "draw breath." Before 24 January the system had gone bankrupt from the economic standpoint and required a very serious operation. With the 24 January operation an attempt was made to cure the glut in Turkey's capitalism and it was predicted that "within 4 to 5" years it would be restored to health.

4 years have gone by. There are no signs of health. Furthermore, the additional problems which arose during those 4 years showed the necessity of the new "19 and 29 December Resolutions." The changes made in the import and export regimes paved the way to another series of pressures. Who feels those pressures? Importers, exporters, industrialists. The people are spectators. Because the resolutions do not concern the people. Up to now 250 firms were supposed to make imports; now only 25 firms will make them. So what? Why should the people care? This is a war among importers. Undoubtedly, the people follow what is going on. So maybe if, instead of 250 firm. only 25 do the importing, others' eyes also will be opened to the logic of the system, that is all! Otherwise the struggle

of a handful of firms that clamor "I want a bigger share, an additional slice of the cake" has nothing to do with the people's economic wishes. But it is also evident that this struggle helps to understand better "what is going on" from the economic standpoint. This struggle helps the people see more clearly that the 24 January resolutions have no relation to their own well being, to their own economic issues.

For instance, is there any debate relative to investments, to solving unemployment? Is there an increase in the coefficient slated on the agenda? Who is interested in spreading health services? How many people make it their concern to improve the level of education? What are the ongoing debates related to large segments of the population?

The new political regime, starting perhaps from those positions, is making an effort to develop concrete projects. In order to appear original and different from those who preceded them, they come up with ideas like "bridge sales, living with receipts." They try to distract the large popular masses with new means. Formerly the coefficient was one of those means, fuel allocations were another. Now, in their place, means like "living with receipts, tax returns," are being introduced.

Such means may deceive the people for a while. But just as it became possible within a few years to understand the meaning of the coefficient increase, it will also become apparent within a short period of time that models like tax returns, living with receipts, which are viewed today as "new and original" will not lead to any sizable increase of revenue.

The "seductive" means which are being offered are supposedly intended to help "warm up" the people toward the 24 January resolutions. Unfortunately the struggle at the top "for a bigger share of the revenue" has not abated. As this struggle goes on, it becomes even more obvious that the 24 January resolutions have no relation to the people.

Furthermore, another thing is made clear, that "the glut in the system" has not been eliminated. 4 years have gone by and, despite claims, the operation has not restored the patient's health.

The ears of those who declared 24 January to be a "feast" day should burn!..

12278

CSO: 3554/136

ZIRAAT BANKASI LOWERS INTEREST RATE TO COOPERATIVES

Istanbul CUMHURİYET in Turkish 24 Jan 84 p 9

[Passages enclosed in slantlines printed in boldface]

[Text] Izmir (CUMHURİYET Aegean Bureau) - Director General of the Ziraat Bankasi [Agricultural Bank] /Rahmi Onen/, who participated in the Area Directors' Meeting of the Ziraat Bankasi, disclosed yesterday at a press conference which he called a series of decision that were taken. Namely:/ Credit interest rates to cooperatives which sell agricultural products were lowered by 7 points. The amount of credits granted to the agricultural sector has been increased by 20 up to 100%. Credits for projects have been increased by 100%. The margin of 1/100 profit granted to Agricultural Credit Cooperatives has been lowered to 5/1000./

At the press conference Rahmi Onen gave out the information that the targets for 1984 were / 1 trillion Turkish liras for deposit accounts on demand/ that 792 billion Turkish liras had been set aside /for the development of agricultural products/ and that in addition to those amounts a 60 billion Turkish lira /Export Fund/ has also been set aside. Rahmi Onen noted that a 207 billion Turkish lira portion had been earmarked for other credits and he said that because of the increases in interest rates, their Bank's share of Turkey's deposit accounts had risen to 31%. Rahmi Onen pointed out that from the beginning of January until now their deposit accounts had increased by 3 or 4 times and he recalled that they had also paid back the 11 billion Turkish liras owed to growers, and he continued his statements as follows:

/"The credits made available to Cooperatives and Unions which sell agricultural products represent 34% of our agricultural credits. In order to stimulate the falling exports of those organizations, a 7 point refund will be implemented on the normal interest rate of 40%. In other words, a 33% interest rate will be applied to the export related portion of the credits that will opened.

I disclose here for the first time that to ensure for the producers the delivery on time and in sufficient quantities of fertilizers and pesticides, which play an important part in the development of agricultural production, it has been decided to grant a 28% rate of interest, which is 12 points lower, on the credits granted to those organizations which import the above mentioned products."/

Increased Credits To Agricultural Sector

/Rahmi Onen/ also let it be known that, taking into consideration economic conditions, the credits allotted in 1983 had been increased by 25 up to 100% for crops, by 20 up to 43% for raising livestock and poultry and by 25 up to 55% for agricultural equipment and requirements, and that the capacity of the bank's branches to give credits had been increased from 50 up to 150%. Onen also noted that with regard to the above mentioned products, further increases from 20 up to 100% were planned and he added: /"Our aim is to progress from shore fishing to open sea fishing."/

Onen then disclosed that after it became possible to purchase foreign currency freely, a study carried out in 15 branches of the Ziraat Bankasi showed that sales of foreign currency amounted to \$800,000 while incoming foreign currency had reached \$8 million and he said: /"I witnessed the fact that our population started to bring to the banks the foreign currency they had in their pockets."/ Onen also said that the dollar had been priced according to US and European standards while the rate of the mark of the Federal Republic of Germany would be subject to a separate regulation, adding:

/"In order to attract the marks of the Federal Republic of Germany, separate regulations will be implemented as follows: 5% for deposits on demand; 6% for 3-month fixed deposit accounts; 7% for 6-month fixed deposit accounts and 8% for 1 year fixed deposit accounts. This will bring out the obvious difference between European rates of interest and our own. No such regulations have been applied to other currencies."/

The 3 Banks Transferred

In reply to a question concerning the personnel of the 3 banks which were transferred to the Ziraat Bankasi: the Odibank, the Istanbul Bank and the Hisarbank, Rahmi Onen spoke as follows:

/"Beside the 3 banks that were transferred to us, the Retirement Fund has also been incorporated into our organization. The total number of personnel that came to us is 3,692. Of those, 733 are Retirement Fund personnel and all of them, having agreed to become civil servants, have been included in our personnel. Out of the total number of employees, 2,430 were assigned as civil servants and 2,185 out of those accepted their nomination. The remaining 245 did not agree to this. We are working on their indemnities according to seniority. However, there are a few among them who are considered responsible for irregularities in some of the branches. It is not possible for us to tell them immediately: 'Here is your indemnity, you may go.' That would be a mistake. But outside of those, the indemnities of 256 people have already been paid. As for the bank employees who are responsible for bringing a burden of 100 billion Turkish liras to the State, whatever is necessary will be done.

At the same time, 36 affiliates of 2 of those banks will be put up for sale in the days to come. And this is something I also disclose here."/

AGRICULTURAL REFORM SLATED FOR PARLIAMENTARY AGENDA

Istanbul TERCUMAN in Turkish 24 Jan 84 p 3

[Passages enclosed in slantlines printed in boldface]

[Text] Ankara (TERCUMAN) - Cabinet minister Sudi Turel said the /"Agrarian Reform"/ would also be included in the governmental agenda. Cabinet minister Turel, who had a talk last week in the TBMM [Turkish National Assembly] with the Secretary General of the MDP [National Democratic Party] Dogan Kasaroglu, let it be known that /"an attempt would be made to initiate a dialogue with the opposition on the subject of the agrarian reform."/

Government officials recalled that during the period of the Consultative Assembly the commission had altered the /"Bill on Land And Agrarian Reforms"/ by making some changes and they pointed out that the bill would be subjected to further scrutiny before work on it began.

The officials, who stressed that the agrarian reform would be planned according to the principles of the governmental program, also said that /"measures would be taken to prevent the dispersal of arable land through inheritance, as this cuts off our farmers from the land and leads to a decrease in economic productivity."/

Fundamental Principles

The authorities said that within a short period an agrarian reform, targeted to raise the income of farmer families to the level of the national income, would be taken up with an eye on technological advances and economic productivity and they spoke as follows about the fundamental principles of this question:

/"The peasant is the lord of our country. Farming requires both hard work and sacrifices while agricultural products, regardless of the level of economic development, are an indispensable requirement of the population. Our peasants are the consistent element of our society. As for agricultural production, it is the chief source of economic development, particularly where the industrial sector is concerned. In view of its water, land and climate conditions Turkey has the potential for greater productivity in comparison to the present level of production.

From that standpoint, the projected agrarian reform will not aim to partition agricultural operations but rather to implement measures that will increase productivity.

To begin with, together with the agrarian reform, infrastructural and cultural differences between cities and villages will be eliminated through roads, water and electricity.

Agriculture and its ties with industries related to agriculture will be dealt with as a whole, within the chain of production and marketing.

All necessary measures will be taken to promote the cultivation of cereals. Emphasis will be put on the production of soybeans, corn and feed grains."/

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MUMCU 'PRAISES' ECONOMIC REFORM ON ANNIVERSARY

Istanbul CUMHURIYET in Turkish 24 Jan 84 pp 1,11

[Article by Ugur Mumcu in the column "Observations": "The 24 January Celebration..."]

[Text] Today is the 24 January anniversary. On this hallowed day I extend my wishes to all of you for this great feast: our wish is that every 24 January is spent under the same conditions of health and well being.

If 24 January is not celebrated in the entire nation with colorful illuminations and parades as the "24 January feast in honor of free enterprise, banks and brokers," this is because this anniversary has not been yet properly evaluated. No matter. Those days will also pass and this feast is certain to attain one day the place it deserves in history. Do not worry...

For the 24 January days to come, parades should be organized in Istanbul and in Taksim Square on the initiative of the Turkish Industrialists and Businessmen's Association, which is the only association in Turkey which "does not dabble in politics;" institutions of higher education should be given a holiday, our coy capitalists and our shrewd businessmen should band together in a spirit of unity and solidarity.

Availing themselves of the sturdy pillars right in front of the "Marmara Etap" hotel, a reviewing stand should be built and next to this stand a "stand for dignitaries" should be erected. In this "stand for dignitaries" Friedman, the father of monetarism and the "Children of Chicago" who followed in his steps, should be seated. The diplomats and business representatives of the countries which did not opt for free market economics should follow the ceremony from seats reserved for them and a giant placard inscribed with: "We are against every kind of foreign ideology" should be hang right above the dignitaries' stand.

The TUSIAD [Turkish Industrialists and Businessmen's Association] President, the esteemed Ali Kocman, should open the ceremonies with a speech.

Kocman should begin thus his speech:

"Intrepid and dedicated children of free enterprise, deprived fellow travellers of the main pillar, exporters, industrialists, contractors, owners of holdings,

holding professors, many happy returns..."

Kocman should point out then the "significance and importance" of the day and illustrate this with examples from the "captive enterprise," as the public sector is called, which is doomed to be annihilated one day, thus bringing to an end "bureaucratic exploitation" and forestalling the founding of a "socialist domination."

Kocman should explain in detail in his speech how, after the resolutions of 24 January, step by step, the "fundamental order of the nation's economic and social institutions" was destroyed and how a Friedmanist-Ozalist order was installed in its place and he should conclude with the words: "we are opposed to any form of thinking that has its roots abroad."

Applause should rock the square.

The greatest danger for such a meeting will arise from the confusion created by the irreconcilable differences between the "exporters" and the "industrialists." There is certainly no hope of preventing this "war of factions" by superficial words. But at least those various factions which spring basically from the same ideology should agree on the "least common denominators."

After Kocman, the President of Turkey's Employers' Trade Unions Confederation, the esteemed Halit Narin, should also make a speech, saying that "the industrialists of this country are not stepchildren" and that exporters and industrialists must proceed arm in arm.

After that the parade should begin. The contractors who do business abroad should come first, bearing placards asking for "more letters of guarantee." Industrialists should follow them. The industrialists should join the parade with placards on which "cheap credit" will be written.

The companies that make \$50 million worth of exports should be in the van.

In the marching column a placard with the words: "1567 must be repealed," demanding the repeal of the law for the protection of the value of Turkish currency, should also be carried.

Brokers who "fell into payment difficulties" should march with the goose step in a different column of the parade. Immediately after them, the brokers' victims, who are the "wounded veterans" of 24 January, should be made to ride each in a domestic car and cross the parade ground. Sinking companies, bankrupt concerns, banks and holdings, kept on their feet by support from the State, should take their place in the parade with the "marching credits" they will secure from the Central Bank.

This feast should be celebrated with ceremonies in the entire nation, among our representatives abroad and in the infant nation of Cyprus.

In those ceremonies, the owners of "token deposits" should make deposits in banks and those deposits should be also used by the "nominal entrepreneurs" to make

investments and token proofs that our exporters have reached the gates of Vienna must be given.

And in the name of 24 January, a monument to the "unknown economist" should be erected. Because 24 January is the feast of all of us, it cannot be ascribed to anyone in particular. In every province, every district statues to the "unknown economist," "the unknown broker," "the unknown exporter," should be erected and the members of free enterprise who will obtain cheap credits from banks should each lay a wreath before those statues as soon as credit procedures are completed.

Receipts for flowers and wreaths must be gotten and their cost deducted from taxes as also, for wreaths, the system of "tax refunds" should be implemented.

And after all this, new changes should be made in the "export regime," in order to export the "main pillars" abroad.

Have a merry feast, may your pillars be felicitous my beloved fellow citizens.

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NEW NATURAL GAS FIND IN NORTH SEA

Rotterdam NRC HANDELSBLAD in Dutch 27 Jan 84 p 1

[Article by one of the editors: "'Interesting' Gas Find in North Sea. Well of Netherlands Natural Gas Company [NNGC] Supplies Two Million Cubic Meters Per Day at Test."]

[Text] Rotterdam, 27 Jan--The Netherlands Natural Gas Company (NNGC) has made an "interesting" gas find in the North Sea, at approximately 50 km to the northwest of Den Helder. During a test, the new well in block L-13 delivered a production of two million cubic meters of gas per day.

This concerns high-caloric gas, which was found at a depth of 3.5 km. The find is at a relatively small distance from the existing gas fields in the so-called K- and L-blocks on the Dutch continental shelf. These have been connected by pipelines, by way of Callantsoog, to the gas receiving station of the NNGC in Den Helder.

The NNGC does not want to make speculations about the extent of the find. Further borings will be made in order to determine the exact size of the gas field. Oil and gas experts, however, conclude from the results during the testing of the well that "a considerable gas find" must be concerned here. At many gas finds in the Dutch part of the North Sea a first well often produces less than a million cubic meters per day.

The fact that the NNGC speaks of an "interesting find" may indicate that this is a larger than average field. The proven gas fields in the Dutch part of the North Sea often contain no more than 10 billion cubic meters, and frequently even less. A single field extends to 20 billion cubic meters.

In October, H. Hooykaas, M. Sc., at his leave-taking as director of the NNGC, said he expected that in the future, certainly a gas field would be found of more than 35 billion cubic meters in The Netherlands or in the Dutch part of the continental shelf. Whether he was alluding to block L-13 is uncertain. The drill head there did only go into the ground on 7 November, and on 19 January the testing was concluded with the positive result. Elsewhere in the same block, already five borings had been done in vain. In total, in block L-13 slightly over 75 million guilders have been spent on exploration activities.

The NNCG shares the prospecting permit for L-13 with, among others, Clam Petroleum, Aminoil Netherlands, Oranje Nassau Energy and DSM [Dutch State Mines]--Natural Gas. The boring in L-13 was done with the drilling rig Neddrill-4.

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JOINT AGREEMENT WITH SOVIETS FOR ARPACAY DAM

Istanbul DUNYA in Turkish 23 Jan 84 p I

[Text] The construction work of the Arpacay Dam and its artificial lake has entered its final stage, and an agreement has been reached with the Soviet Union to open the dam to operation in July.

In his statement made to a reported of the TURKISH NEWS AGENCY, A. Afonin, who is the expert of the Industrial Mission of the Soviet Embassy in Turkey, indicated that the Soviet Union has spent \$5.6 million to compensate for our losses caused by the flooding of our territory during the construction of the artificial lake.

Afonin remarked that out of the \$21.4 million total cost of the project, the Soviet side's expenditures has been \$16.3 million and the Turkish side's expenditures \$5.1 million, and added: "This way, in addition to their interest to contribute equally to the expenditures involving the construction of the project, both sides have also practiced the principle of equal distribution of the damage caused by the flooding that resulted from the construction of the artificial lake."

Besides that, both sides have worked together to mark anew the borderline between the Soviet Union and Turkey on the zone flooded by the waters of the dam, said Afonin and remarked that following the completion of the work involving the re-marking of the borderline a bilateral protocol was signed.

Afonin cited that with the Soviet economic and technical aid constructed fiber board factory in Artvin, the delivery of electrical energy from the Soviet Union through conductor lines between Batum and Hopa, and the completion of the construction of the dam and the artificial lake on the Arpacay river as examples of mutual attempts aimed toward developing the Soviet-Turkish economic cooperation, and added: "This line directed toward developing good neighborly relations has reflected itself also to the government program of the new cabinet under Turgut Ozal's leadership. This line is also expressed in the forthcoming Moscow visit of a Turkish delegation headed by Ekrem Pakdemirli, the undersecretary of the treasury and foreign trade, and in their desire to discuss all the issues related to the development of these relations in a constructive manner.

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MINISTER ON ATHENS POLLUTION BATTLE SUCCESSES

Athens ELEVTHEROTYPIA in Greek 5 Jan 84 p 3

/Text/ "On 15 January 1982, the Government announced a complete program for the systematic combatting of Athens' atmospheric pollution at its sources. This program is being strictly enforced on the basis of a concrete timetable, which is widely known."

This was the declaration yesterday of Andonios Tritsis, minister of regional planning, housing and the environment. He was replying to the declarations of the opposition parties concerning the special measures that have been put into effect to deal with the increased atmospheric pollution in Athens in the last 2 days. The minister went on to add the following concrete points about the program's results:

Fuels: There has been an improvement in fuels (mazut and diesel) that has cut sulfur dioxide pollution (which damages marble, vegetation and other things) by 36 percent of 5,500 metric tons per year. There has also been an improvement in gasoline that has reduced emissions of lead (which damages people's health) into the atmosphere by 49 percent or 100 metric tons per year.

Industry: Industry is already utilizing improved fuels. The registration and study of all polluting industries have almost been completed, and conditions for their operation are being determined. The installation of antipollution systems (smoke collectors, filters and so on) has begun. For the first time, special environmental testing groups are monitoring industry systematically. The revision of presidential decree 791/77 has reduced the industrial districts of Attica by 10,000 stremmas.

Central Heating: Improved fuels are used here too. For the first time, systematic testing and maintenance are being done after the public has been widely informed.

Cars: The first Technical Testing Center for cars has been built and put into operation. The construction of the others is going on as scheduled. The bus fleet has been renovated to a great extent, while the number of trolleys has risen.

Strict specifications have been imposed on newly-imported cars for the purpose of reducing exhaust fumes.

The Special Program

Sponsored by the Local Self-Administration, the Technical Chamber of Greece and the Union of Greek Chemists, the special yearly program "War on Smoke and Dust" began on 1 November 1983.

Beyond the battle against the sources of pollution, the work of the Athens Regulation Plan has been completed with unprecedented participatory procedures in Greece and reliable international collaboration. The plan is now in the legislative stage.

Also in the process of completion is the institutional law for the environment and for the creation of the Central Environmental Agency, which is soon to be introduced in Parliament.

The New Democracy Party

It is tragic that the New Democracy in particular--whose decades-long policy brought Athens to the brink of catastrophe--is not in a position to comprehend the plan for the salvation of Athens, which the people themselves are supporting with their striking response and participation.

It is also deplorable that the New Democracy is trying to mislead the people on the pretext of the imposition of the special measures of the last 48 hours as mandated by law 1327/83. This same party voted for that law in Parliament. And as everyone knows, the special measure aims not at the elimination of the problem but at dealing with the peak levels of pollution created by the special meteorological conditions of the basin. It is especially deplorable to mislead the people when those measures have scored a striking success in limiting pollution despite the persistence of adverse weather conditions.

The New Democracy's Communique

The New Democracy's information service issued the following communique:

The Government's policy up to now is not just poisoning the Republic. By opening Keratsini, the main source of the worst kind of atmospheric pollution, it is also poisoning the health of the Greek people.

Instead of being irresponsible, the government should close Keratsini at once.

As for the other matters, the government representative knows that the devaluation by PASOK [Panhellenic Socialist Movement] of both the drachma and the intelligence of the Greek people is deplorable.

A communique from PAKOE [Panhellenic Center of Ecological Research] affirms: "Yesterday too, the costs of pollution far exceeded the internationally established limits for smoke and nitrogen dioxide, as it reached deadly levels."

The New Democracy Replies

In response to the statements by Tritsis, the New Democracy issued the following communique last night:

"The responsible Minister of Regional Planning should explain himself with regard to the smog. He cannot, however, do so with a fake program.

"The absence of regular measures has made the PASOK Government one of emergency measures. The resulting unprecedented pollution speaks for itself.

"It is obvious that the Greek people are living with the smog while the Minister of Regional Planning unfortunately continues to live in the clouds."

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